

**FRUEHAUF**  
CORPORATION  
ANNUAL REPORT 1964

*Our  
50th  
Year*





Walker L. Cisler,  
*Chairman of the Board*



William E. Grace,  
*President and Chief Executive Officer*

### **ANNUAL MEETING OF SHAREHOLDERS**

Annual Meeting of Shareholders will be held at 2:30 P.M. on Thursday, May 6, 1965, at the Park Shelton Hotel, 15 E. Kirby at Woodward, Detroit, Michigan. Proxies will be solicited from Shareholders when the notice of Annual Meeting and Proxy Statement are mailed on or about April 1, 1965.

APR 21 1965

## To Our Shareholders:

In 1964, for the third consecutive year, Fruehauf Corporation achieved new highs in sales and earnings. Net sales amounted to \$312,737,129, compared with \$265,410,388 in 1963, and net earnings were \$17,791,072, equal to \$2.45 per share, compared with \$16,808,251, or \$2.37 per share, in 1963.

The year was also Fruehauf Corporation's 50th anniversary—a half century of progress that began in 1914 with the building of the first Fruehauf Trailer in a wagon shop in Detroit—a year in which we strengthened and expanded our operations to meet the challenge in every phase of TOTAL TRANSPORTATION, and to be in the best possible position to profit by the growth our nation—and the world—faces.

This was a year of growth highlighted by acquisitions and entries into new markets that implement our diversification program. One of these was our purchase of 99% of the stock of Magor Car Corporation of Clifton, New Jersey. Also a veteran of 50 years, Magor manufactures and markets railcars for the railroad industry and is recognized as the pioneer and sole producer of giant "Big John" aluminum hopper-type railcars.

D-Fab Division, acquired in August of 1964, manufactures TRACKMASTER, a small crawler type tractor. Marketing of this unit is another phase of the Company's goal to provide industry with equipment for more efficient transport of goods and material handling.

The Company continued to build new branches and new production facilities. In several locations, production efficiency was improved by installation of additional equipment. For example, our aluminum plant in Decatur, Alabama, should increase production of aluminum sheet and extrusions to 80 million

pounds in 1965, because equipment installed in 1964 or scheduled for installation in 1965 will increase our tonnage by 50% and will permit manufacture of larger and heavier extrusions and increased sheet production.

Last October we started construction of a 300,000 square foot factory for our Independent Metal Products Division in Omaha, Nebraska, which produces tank type equipment. This is a \$6 million project scheduled for completion by October of this year. It will be the most modern tank-trailer manufacturing facility in the world.

RentCo Division, a trailer rental service, expanded its operations in 1964. In addition to locations previously established in Chicago, Charlotte, Oakland, and Los Angeles, RentCo opened new facilities in St. Louis, Portland, Dallas, and Atlanta. Nine new locations are scheduled in 1965; four sites have already been obtained.

During 1964 we built three new branch sales and service facilities replacing present facilities, and our Memphis, Tennessee, branch facilities were expanded. Five more replacement branch sales and service facilities are planned for construction in 1965. Additional manufacturing facilities for the Strick Division in Chicago, Illinois, and for the Hobbs Division in Fort Worth, Texas, are also scheduled for 1965.

On February 10 we announced our intention to construct a factory in Delphos, Ohio. We will build our own trailer axle in this new facility and are expecting to be in production by the middle of this year.

Nippon Fruehauf, the latest addition to Fruehauf's growing International family, occupied its new plant at Atsugi, Japan, in October, 1964, and commenced production of aluminum van semi-trailers and aluminum truck bodies, the first to be manufactured in Japan.

New products and numerous improvements to present products were introduced last year by the Corporation's Divisions. The effect of these and the acquisitions previously reported is to strengthen and broaden Fruehauf Corporation's capacity for serving all forms of commercial transportation—a concept we describe as "TOTAL TRANSPORTATION."

Equipment manufactured and sold by Fruehauf Corporation Divisions is illustrated and described in the following pages of this annual report, some of which have been reproduced from a comprehensive brochure entitled "TOTAL TRANSPORTATION" which was issued late in 1964 to commemorate the Company's 50th anniversary.

Employment rose to over 12,000. Employee activities included expansion of our college graduate and after hours training programs. Our Employee Benefits Program was also broadened by making available to employees major medical, long-term disability income insurance and special accident benefits. More than 180 participants in the Corporation's Retirement and Pension Plans have retired.

Our safety programs continued to produce gratifying results. Fruehauf Division's Fort Wayne Plant completed in excess of 3,000,000 man-hours without a lost-time accident.

Major General Kenneth D. Nichols was elected to your Board of Directors at the regular meeting in March, 1964. General Nichols, now an industrial consultant from Washington, D.C., replaces Mr. Robert S. Kirksey, deceased.

We now enter our 51st year with confidence in our continuing capacity for growth and development. The Directors and Officers of your Company sincerely appreciate the loyalty and cooperation of all employees and the confidence and support of the shareholders.

By Order of the BOARD OF DIRECTORS

*Walker L. Cister*  
Chairman

*A. E. Grace*  
President

March 10, 1965

**Directors and Officers**

**TRANSFER AGENTS**

National Bank of Detroit.....Preferred Stock  
The Detroit Bank and Trust Company.....Common Stock  
First National City Bank—  
New York.....Preferred and Common Stock

**REGISTRARS**

The Detroit Bank and Trust Company....Preferred Stock  
National Bank of Detroit.....Common Stock  
The Chase Manhattan Bank—  
New York.....Preferred and Common Stock

**AUDITORS**

Touche, Ross, Bailey & Smart—Detroit, Michigan

**COUNSEL**

Butzel, Eaman, Long, Gust & Kennedy—Detroit, Michigan

**BOARD OF DIRECTORS**

Chairman of the Board

WALKER L. CISLER, *Chairman of the Board, The Detroit Edison Company*

LESLIE C. ALLMAN.....*President, The Allman Company, Inc., Detroit, Mich.*  
JAMES BRUCE.....*Director of many industrial and financial corporations, New York, N. Y.*  
WILBER M. BRUCKER.....*Attorney, Brucker and Brucker, Detroit, Mich.*  
GERALD W. CHAMBERLIN.....*Industrialist, Grosse Pointe, Mich.*  
DE WITT A. FORWARD.....*Retired Vice Chairman of First National City Bank, New York, N. Y.*  
ARTHUR J. FUSHMAN.....*Retired President, Manufacturers National Bank of Detroit, Mich.*  
WILLIAM E. GRACE.....*President and Chief Executive Officer, Fruehauf Corporation, Detroit, Mich.*  
HERMAN H. KAHN.....*General Partner, Lehman Brothers, New York, N. Y.*  
ALFONS LANDA.....*Attorney, Davies, Richberg, Tydings, Landa and Duff, Washington, D. C.*  
THOMAS G. LONG.....*Attorney, Butzel, Eaman, Long, Gust & Kennedy, Detroit, Mich.*  
FREDERICK H. MUELLER.....*Industrialist, Detroit, Mich.*  
KENNETH D. NICHOLS.....*Industrial Consultant, Washington, D. C.*  
THOMAS S. NICHOLS.....*Chairman of the Executive Committee, Olin Mathieson Chemical Corporation, New York, N. Y.*  
THEODORE S. PETERSEN.....*Industrialist, San Francisco, Calif.*  
JAMES M. ROBBINS.....*President, Jim Robbins Company, Royal Oak, Mich.*  
HERBERT J. WOODALL.....*Chairman of the Board, Woodall Industries, Inc., Detroit, Mich.*

**CORPORATE STAFF MANAGEMENT**

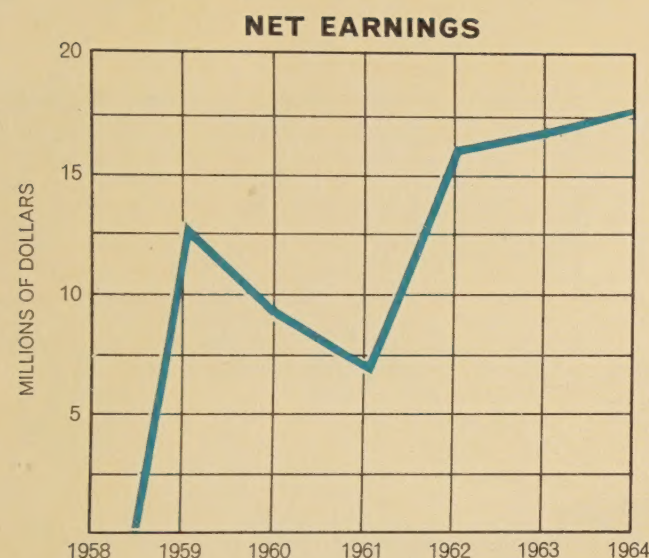
WILLIAM E. GRACE, *President and Chief Executive Officer*

ALEXANDER S. ARANYOS.....*Vice President—International Operations*  
ALEXANDER BLACK.....*Vice President—Planning*  
HARRY E. FOULKROD.....*Vice President—Marketing*  
BRUCE M. KIRSTEN.....*Vice President—Purchasing and Traffic*  
RAYMOND M. LYONS.....*Vice President—Industrial Relations*  
ROBERT D. ROWAN.....*Vice President and Controller*  
ERNEST L. RUSHMER.....*Vice President, General Counsel, and Secretary*  
KEITH W. TANTLINGER.....*Vice President—Engineering and Manufacturing*  
NORMAN A. RYAN.....*Treasurer*

**DIVISION MANAGEMENT**

FREDERICK S. NEUMANN.....*Vice President and General Manager, Fruehauf Division*  
SOLOMON KATZ.....*President, Strick Division*  
RAY N. BIGGERS.....*Vice President and General Manager, Hobbs Division*  
DAVID BERNSTEIN.....*Vice President and General Manager, Independent Metal Products Division*  
ROBERT BERNSTEIN.....*Vice President, Engineering and Production, Independent Metal Products Division*  
JACOB BERNSTEIN.....*Vice President and Consultant, Independent Metal Products Division*  
ALEXANDER BLACK.....*General Manager, Military Products Division*  
RUSSELL G. HOWELL.....*President, Fruehauf Finance Company*  
RICHARD J. VAN HASSEL.....*Vice President and General Manager, Magor Car Corporation*  
WILLIAM SENNETT.....*General Manager, RenTco Division*  
ROBERT W. KINKLE.....*General Manager, D-Fab Division*

## Financial Highlights



### SALES AND EARNINGS

The year 1964 was the third consecutive year in which Fruehauf Corporation reported record sales and earnings. Net earnings in 1964 were \$2.45 per Common Share, as compared to \$2.37 in 1963. Financial highlights are shown in tabular form above.

### DIVIDENDS

Dividends of \$1.72½ per Common Share were paid in 1964, which included a year end extra declared in 1963, payable February 1, 1964. Commencing with the dividend paid May 1, 1964, and quarterly thereafter, the Corporation has paid dividends of 37½¢ a Common Share.

### FINANCIAL POSITION

Sinking Fund Requirements of the Corporation's

3¾% and 4% Sinking Fund Debentures have been satisfied through 1967. Sinking Fund Requirements of the 4% Convertible Subordinated Debentures have been satisfied through 1972. Funded debt was reduced more than \$7,000,000 during 1964; more than \$5,000,000 of this reduction was effected through the exercise of the Conversion option by holders of the Convertible Debentures.

The Corporation intends to file Federal Income Tax Returns on a consolidated basis in 1965, reporting income on the installment method where applicable. To realize the full benefit available through this change, it was necessary for Fruehauf Corporation to dispose of certain of its receivables. Accordingly, on December 31, 1964, all of the installment obligations

	1964	1963
Net Sales.....	\$312,737,129	\$265,410,388
Earnings before Federal Taxes on Income.....	34,191,072	32,928,251
Per Common Share*.....	4.73	4.66
Net Earnings.....	17,791,072	16,808,251
Per Common Share*.....	2.45	2.37
Dividends paid to Common Shareholders.....	12,345,800	10,492,437
Per Common Share.....	1.725	1.50
Long-term Debt.....	46,291,084	55,602,059
Net Assets (Book Value) per Common Share....	18.68	17.13
Ratio Current Assets to Current Liabilities.....	2.5 to 1	2.7 to 1
Number of Shareholders.....	42,112	38,773

\*Based on average number of shares outstanding during the respective years.

arising from the sale of personal property, held by the Corporation, were sold on a non-recourse basis to the Finance Subsidiary. The adoption of this installment method will result in a deferment of time of payment of Federal Income Taxes for both the Corporation and the Finance Company, thus generating additional working capital for each company.

Each of our acquisitions in 1964 was effected as a cash purchase. The increase in inventory is primarily work in process, caused by higher levels of production and the addition of new activities. This inventory, representing the volume of sales for a three month period, is regarded by management as being in line with the level of business.

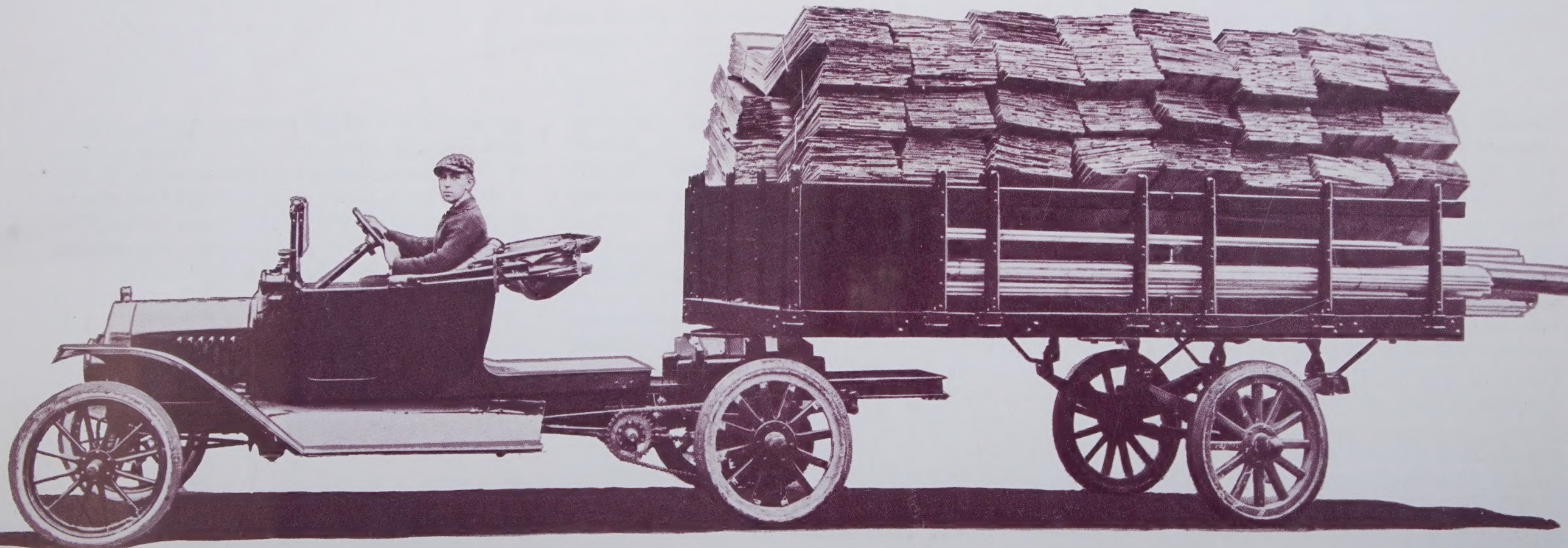
# *The Fruehauf Corporation...Founded on Imagination...Fulfilling a Need*

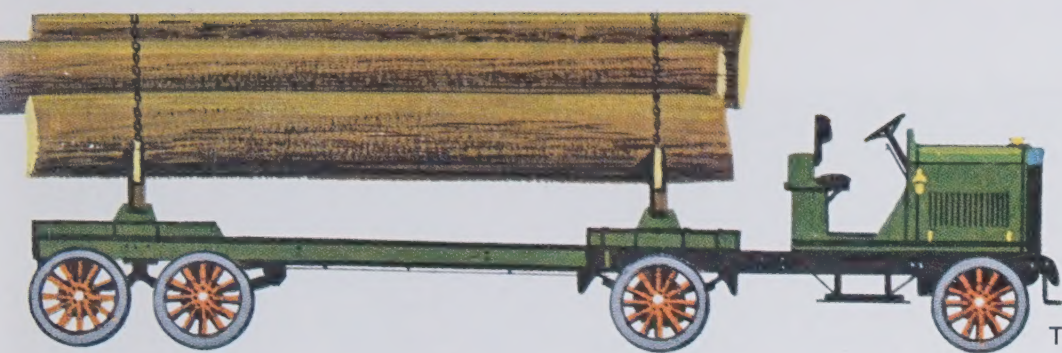
IN 1914, a Detroit wagon builder named August Fruehauf hitched a Model T Ford roadster to a somewhat modified wagon and demonstrated that, like a horse, a "truck" could pull more than it could carry. The wagon soon became known as a trailer and sales began to grow. Before long, the blacksmith shop became the Fruehauf Trailer Company.

The increased capacity of the truck-trailer, together with the extensive building of improved roads and streets, made inter-city and inter-state trucking prac-

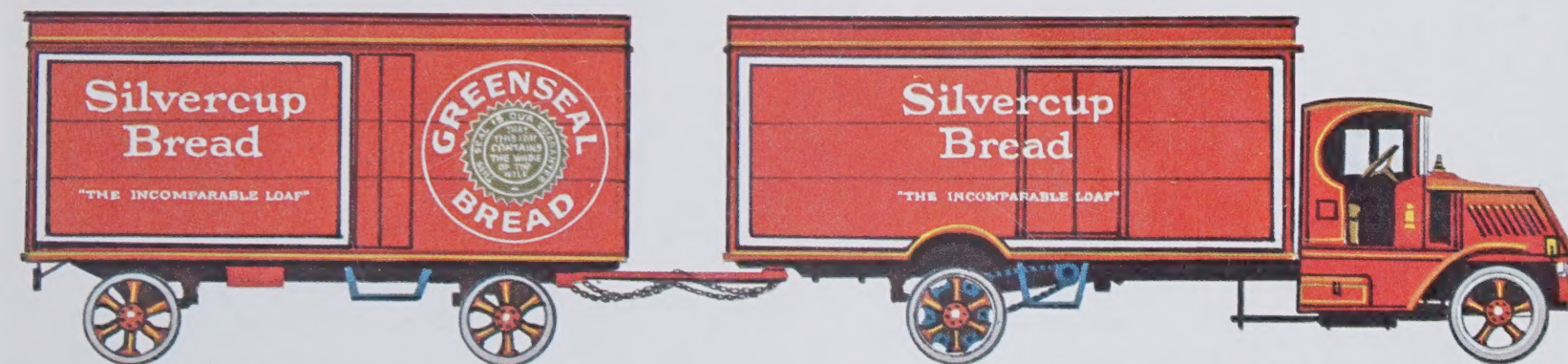
ticable. The number of trucks and trailers has grown steadily from 99,000 in 1914 to over 14 million on U.S. roads today. Motor transport is now an indispensable factor in the commerce of the world.

Why did trucks and trailers become so popular? Because they provide fast, flexible, economical transportation. They can go wherever there are roads . . . and even, in emergencies, where there *are no roads!* And, as containers with detachable wheels removed, trailers have now taken to the air.





Typical Platform Trailer, about 1917.



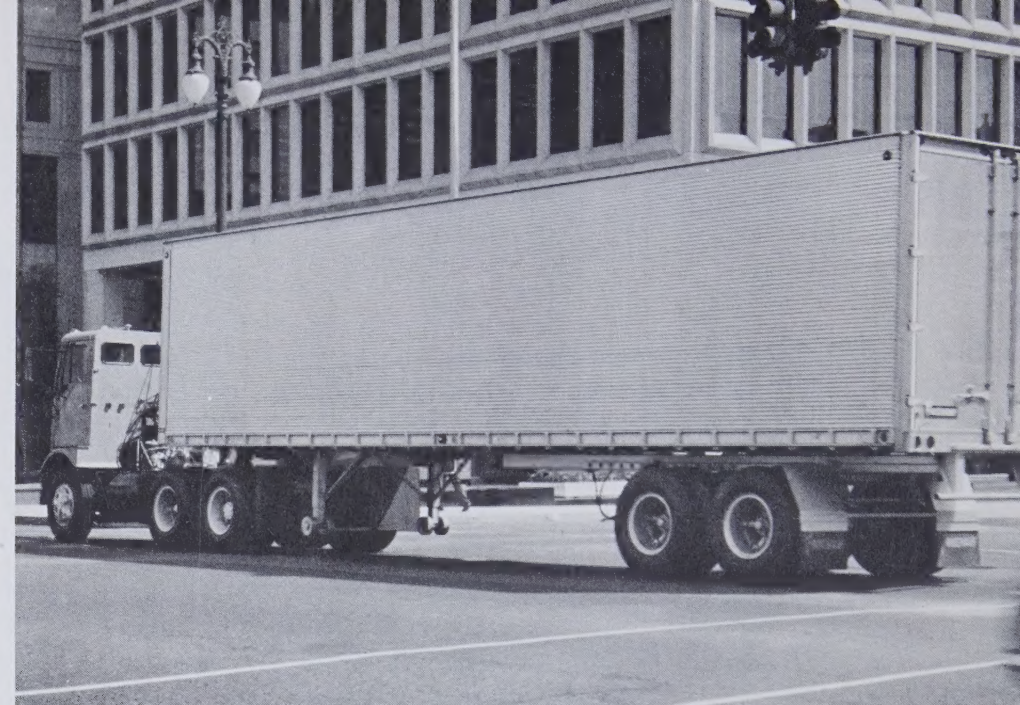
In the 1920's, "double-bottoms" appeared.



Tank-Trailers came into their own around 1933.



Vans in 1923, looked like this.



Fruehauf's modern Stainless Steel Volume ☆ Van. ▲

Containerization . . . a transportation miracle. ▼



## *Fruehauf Trailer Company...1914*

## *And Where In The World Is Fruehauf Today?*

IN THEIR blacksmith shop, the original Fruehauf crew, joined by the "cop on the beat," pose proudly with their boss, August Fruehauf (left).

Bolt by bolt, piece by piece—and without benefit of blueprints—these men fashioned the first Fruehauf Trailer. Little did they realize the key role their "brain-child" was to play in reshaping the face of the world.



# *Everywhere*

TODAY, in the United States, Fruehauf Corporation Divisions operate 18 manufacturing plants and more than 80 strategically located factory service branches—and the International Operations Division has now established similar facilities throughout the world.

More than 12,000 men and women staff Fruehauf Corporation's manufacturing, sales and service facilities in the United States. Each year sees new sales

records set at home and by overseas associates. Canada has two Fruehauf factories, 8 factory branches, 2 distributors and 7 sales offices. Modern manufacturing facilities are operating in 10 foreign countries and nearly 80 distributors sell and service Fruehauf Corporation Products in almost every country outside of the Iron Curtain. To those who ask, "Where in the World is Fruehauf today?"—we answer, "Everywhere!"



## *Fruehauf Division ... Pioneer in Engineered Transportation*

THE FRUEHAUF Trailer Company, following the humble beginning of 1914, quickly earned leadership of the youthful truck-trailer industry. This leadership has been held and strengthened through half a century of close, constructive cooperation with the operators of haulage equipment everywhere.

As the modern outgrowth of the Fruehauf Trailer Company, the Fruehauf Division now operates three

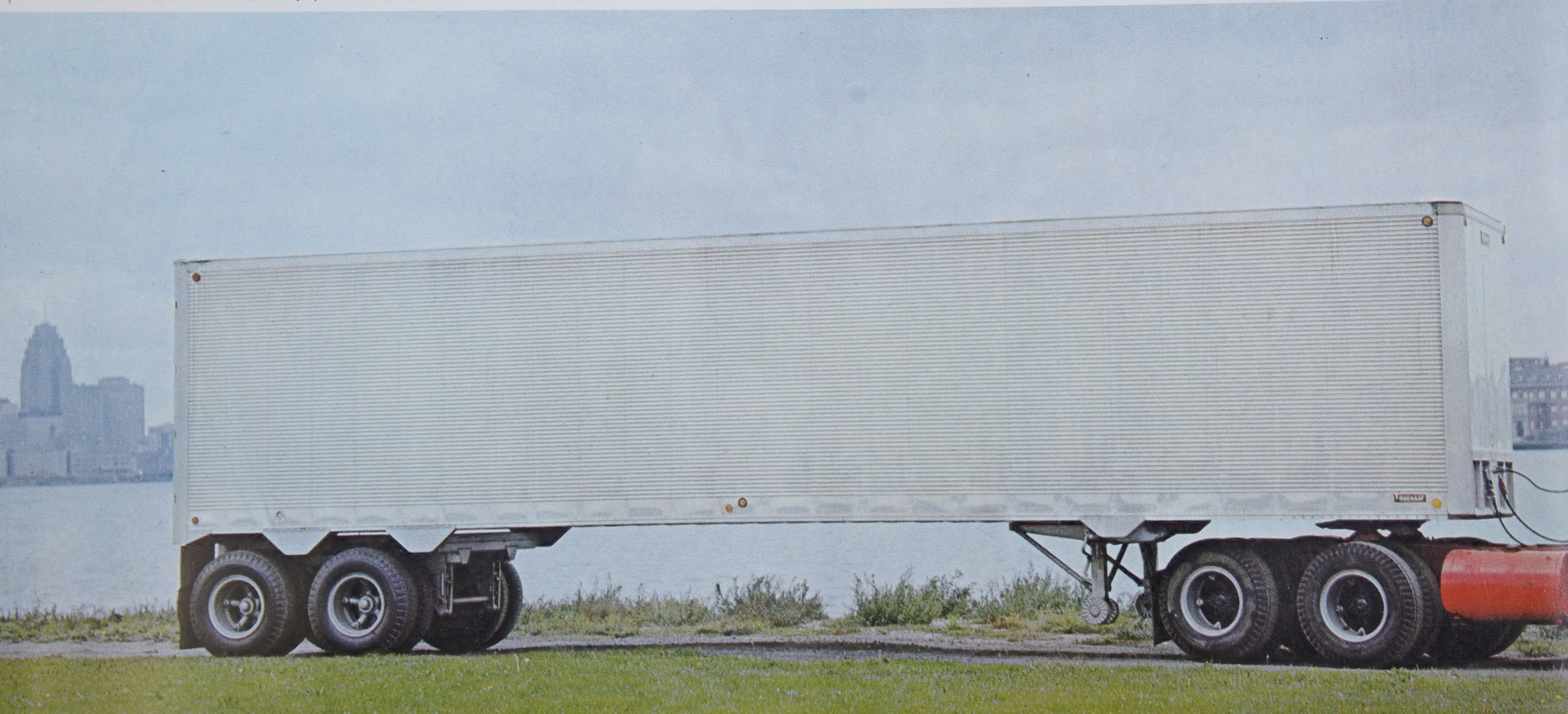
manufacturing plants in addition to the huge factory in Avon Lake, Ohio—in Memphis, Tennessee; Fort Wayne, Indiana; and Vina Vista, California.

The Fruehauf Division pioneered the application of "ENGINEERED TRANSPORTATION" in creating new types and improved designs of truck-trailers to meet the transport needs of customers in practically all lines of trade. Long noted for expert engineering and

efficient production, the Fruehauf Division stands alone as offering the only complete line of truck-trailers in the entire industry—many models of all types to fit the requirements of a steadily expanding market.

It is noteworthy that the Fruehauf Division has made and sold more "containers" than any other builder of such units. The container, now becoming so practical for use in all fields of transport, is actually the modern

Aluminum Volume ☆ Van Plus, most popular trailer in the Fruehauf line.



version of the truck-trailer body, with removable wheels.

For years, throughout the United States, it has been known that transportation men buy more Fruehauf Trailers than any other kind. It naturally follows that there are more Fruehaufs on the roads and streets than any other make of truck-trailers. This customer-confidence in Fruehauf performance is the most prized possession of the Fruehauf Division.

The Fruehauf Division operates, among several plants, the world's largest truck-trailer manufacturing plant, half a mile long, in Avon Lake, Ohio—near the city of Cleveland.



# Fruehauf Division...

## Its Containers Speed Shipments, Reduce Costs

HERE'S TOTAL TRANSPORTATION in action, over road, rail and sea, to speed deliveries, reduce handling costs, give cargoes extra protection.

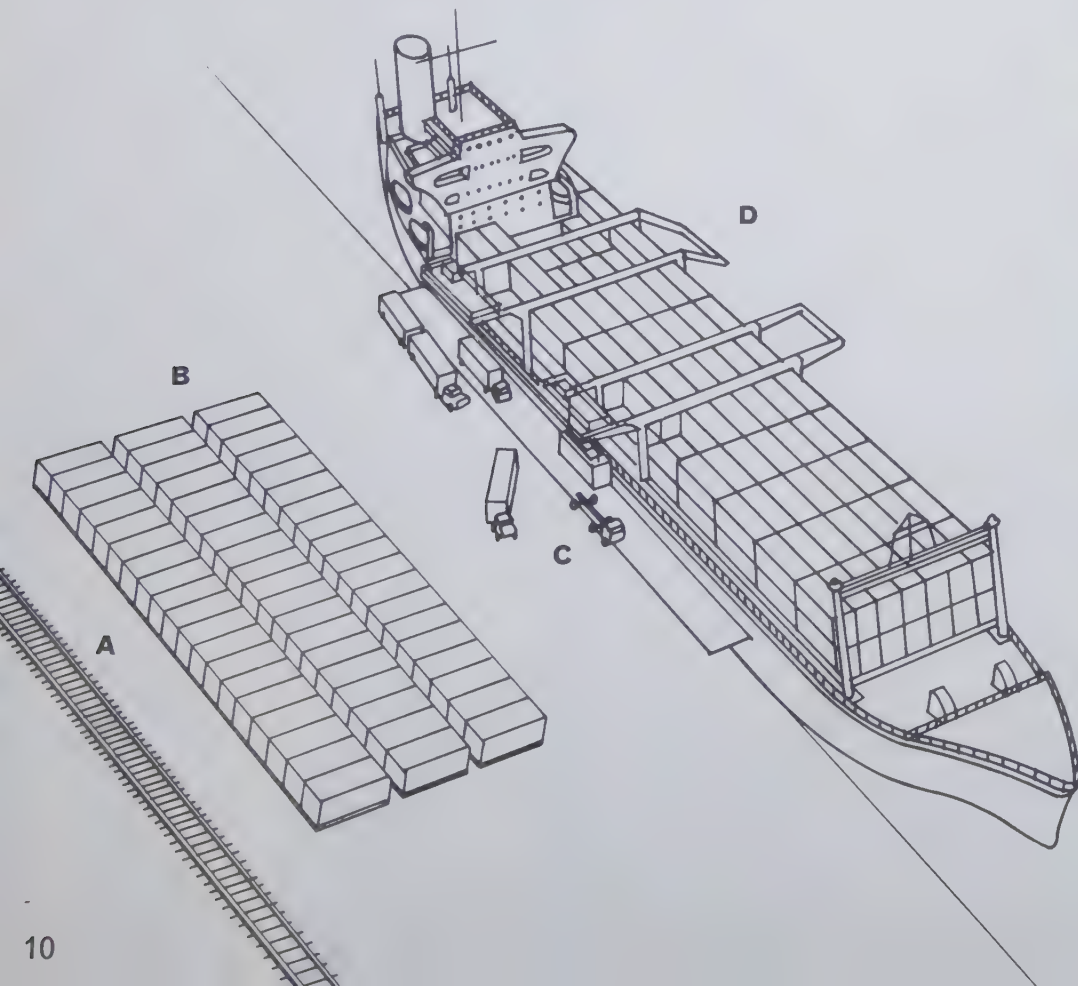
**A** Fruehauf Twin-20 Containers, with sealed-in cargo, travel as trailers to railheads where they are loaded on railcars for delivery to the seaport.

**B** Riding on detachable underconstruction (wheels), containers are towed to assembly area for loading aboard ship.

**C** Tractor and detachable wheels come into play once again as containers are moved to dockside.

**D** Shipboard cranes lift containers off wheels and stack them on deck or in ship's hold (See photo at right).

At the port of debarkation, the procedure is reversed for final delivery of container and its contents.

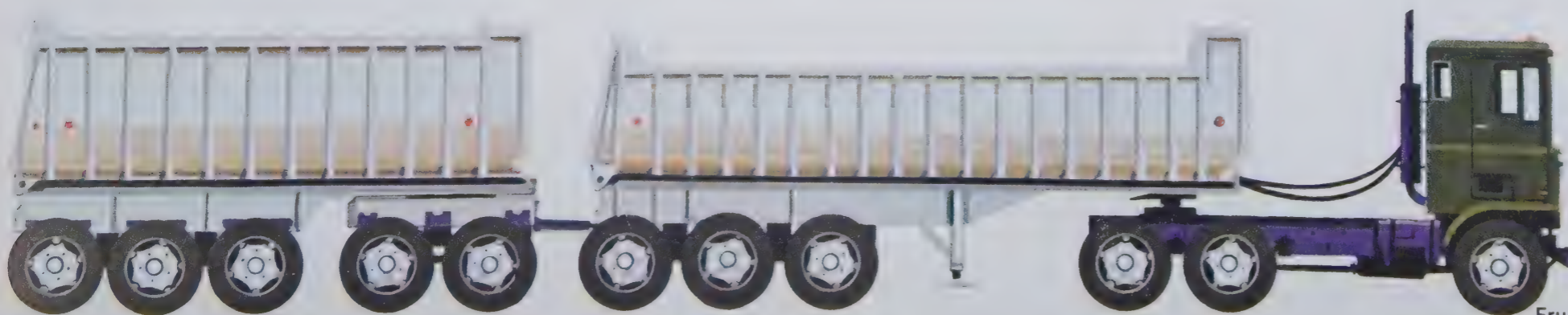




Fruehauf Platform Trailer/workhorse of many industries.



Fruehauf Refrigerator Van/perfect protection for perishable commodities.



Fruehauf Dump Trailers/basic for heavy construction jobs.

*Strick Division... Ideas Become Accomplished Fact*



AMERICA'S great depression was in its darkest hours when Frank Strick first opened his doors for business as a distributor of tires and "Truck-tor" third axle attachments in 1931. Dedicated to the principle of high quality merchandise at a fair price, the Strick Company inched forward against heavy odds until 1936, when the first Strick Trailer (wooden body on steel chassis) was built for a local contract hauler. Since that now historic occasion, Strick's growth has paralleled the exciting, rapid development of the transportation industry.

The Strick Company joined the Fruehauf Corporate family in 1956. Today the Corporation's banner flies over both of Strick's modern factories—at Fairless Hills, Pennsylvania and Chicago, Illinois.

The transportation industry owes a great deal to the inventive genius of Strick Division engineers who have been pacesetters in the exciting new field of containerization. Strick systems have provided the answers to some of our day's most perplexing problems in transport economics.

The TOTAL TRANSPORTATION concept is typified by Strick's Flexi-Van system (pictured at left) which completely coordinates the flexibility of highway transport with the long-haul economy of rail and sea. Flexi-Van containers are equally at home on wheels, aboard ship, or on railcars. The tractor and its driver are all that is required to transfer the sealed container from Flexi-Van Railcar to highway or vice-versa in just a few minutes. The popularity of the Flexi-Van system continues to climb as it consistently demonstrates significant savings in both time and money—with no ceiling in sight.



1

Strick Division's trademark, on a complete line of highway trailers, is a recognized sign of quality and dependability throughout the transportation industry. The vehicles illustrated on this page represent a cross section of product types, exclusive of containers, which are covered elsewhere. 1. The Classic Van is one of Strick Division's more popular models. 2. Strick's open-top van finds a wide variety of jobs to its liking. 3. Rugged Strick platforms are tailored to the job. 4. Strick Reefers afford maximum safety for precious foodstuffs. 5. Aluminum truck bodies are every bit as tough as Strick Trailers.



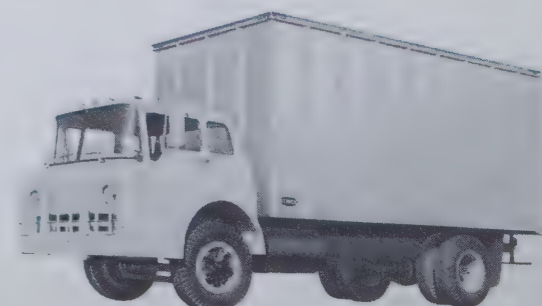
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3



4



5

## *Strick Division...Leaders in Containerization*

IT TAKES a trained eye to tell a pair of Strick-Tainers from all the conventional semi-trailers you see today on a busy highway. But similarity ends with general appearance, as you would soon discover if you were to follow a Strick-Tainer to the end of its journey. What looks at first glance like a 40-foot van is actually two 20-foot Strick-Tainers joined together and pulled by a single tractor. Strick-Tainers can be quickly divided into separate units for city deliveries. In addition, they load conveniently on railcar or ship for maximum long-haul economy.



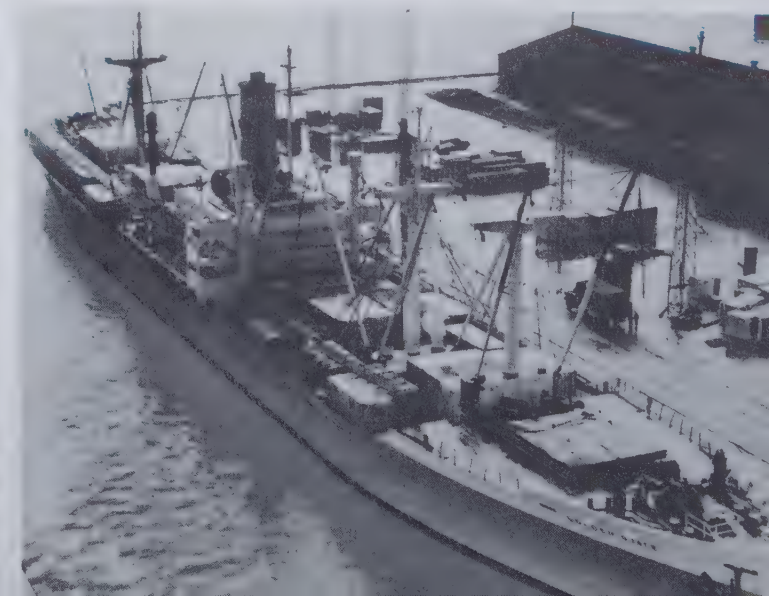
Strick-Tainers and Strick-Tanks adapt to all kinds of loads.



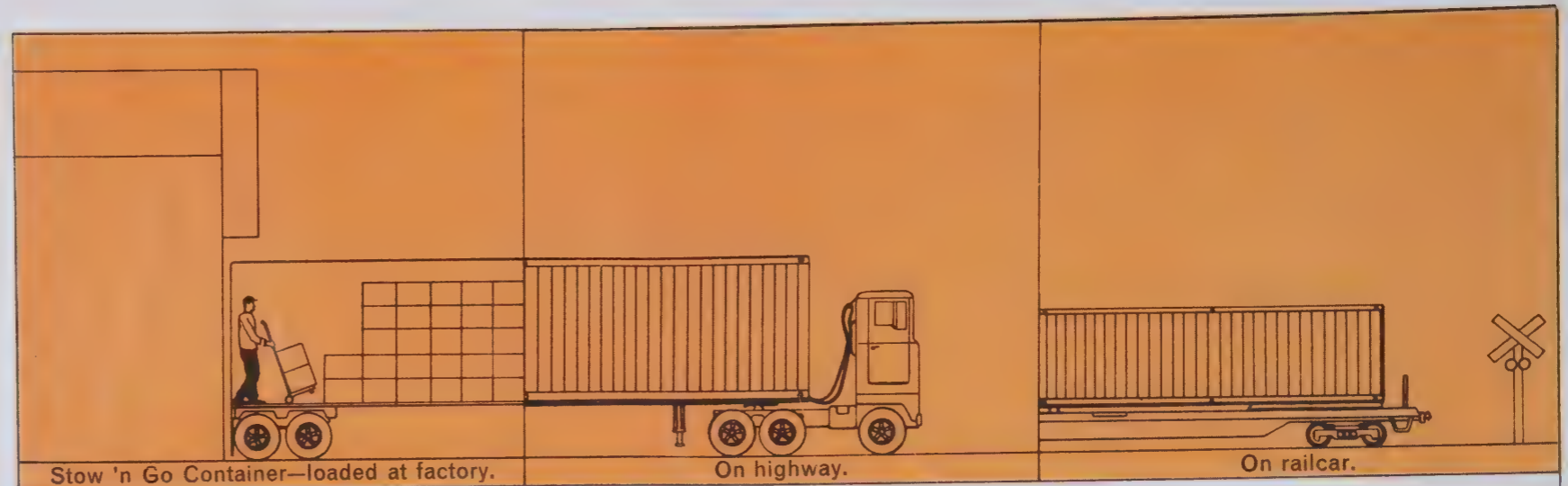
Easy to handle with conventional or special loading devices.



Strick-Tainers make efficient use of storage space on ship's deck or in hold.



WAREHOUSING—long accepted as a necessary bottleneck in materials handling systems, has come in for its share of attention at Strick Division. Here you see depicted the warehousing system of the future, and it is available from Strick Division today. The name—Stow 'N Go. Here's what it does: 1. Parks a mobile warehouse at your factory door for loading. 2. Moves the warehouse to a designated parking area where it stands on self-storing legs—provides weather-tight, pilfer-proof storage for as long as necessary. 3. Finally . . . warehouse delivers its load over the road, on railcar, or on board ship with factory affixed seal still in place. Great savings are realized as Stow 'N Go eliminates equipment and labor ordinarily needed to handle merchandise in and out of the conventional warehouse . . . another Strick Division contribution to TOTAL TRANSPORTATION.



Stow'n Go—Weather-tight pilfer-proof storage.

# Hobbs Division...Out of the Southwest to Serve the Nation

HOBBS trailers played a significant part in the development of the great southwest in the mid-twenties when W. T. Hobbs demonstrated to the oil industry that he could build a trailer that would save time and money transporting pipe, drill stem and timbers to drilling sites. Those first pipe trailers did their job well and a new business was born.

Recognizing another local need, Hobbs next developed a line of PR (Pressed Rail) convertible platforms to haul livestock, grain, hay,

lumber, brick—with flexibility to adapt to changing needs and seasons.

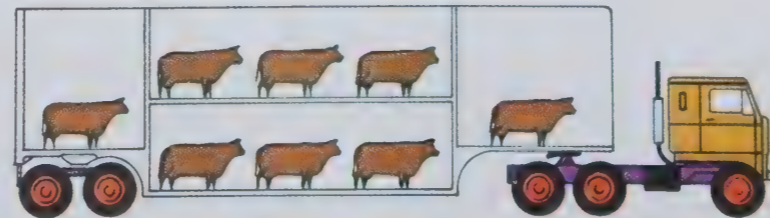
In 1955, Hobbs became a division of the Fruehauf Corporation. Today, modern plants in Fort Worth and Cleburne, Texas, produce a complete line of vans, livestock trailers, oil field floats, pole, dump and grain trailers as well as Hyd-Pak trailers and truck bodies used for refuse pickup and disposal. Seven factory branches and over 60 independent equipment distributors sell and service Hobbs products in the southwest and across the nation.



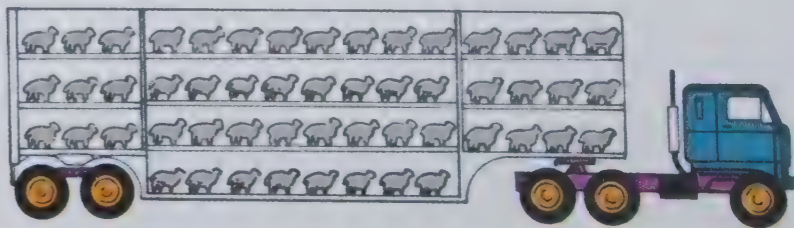
The Truck Hoist Lift, a new concept in TOTAL TRANSPORTATION, permits the driver to do complete loading and unloading operation without leaving the cab.



Versatile Hobbs Livestock Vans transport cattle and sheep from feed lot to market . . . virtually eliminate the costly cattle drives that caused the loss of precious pounds of beef.



One of many deck arrangements possible for hauling cattle in a Hobbs Livestock Van.



Flexibility of deck and openings permits efficient use of space for different animals.



High-capacity Hyd-Pak Trailers are used to reduce the cost of refuse collection and disposal in metropolitan areas.



Hobbs Platform Trailers are known for lightweight, durable construction and job flexibility.

## *Independent Metal Products Division... New Ways to Haul Loads in Bulk*

INDEPENDENT Metal Products Division designs and manufactures tank-trailers to haul liquid and dry bulk loads—gasoline, oil, chemicals, cement, fertilizers, food products, and many more. Independent's trailers are sold and distributed through Fruehauf Division's factory branches from Maine to California.

This operation dates from 1911, when Jacob Bernstein opened a general sheet metal shop in Omaha, Nebraska. His first order for a 1000-gallon, truck-mounted tank to haul fuel oil came in the early depression years. It was built entirely by hand.

In 1933, Mr. Bernstein designed a new kind of tank

for trailers and asked Fruehauf to provide a suitable chassis. The two companies made an ideal team, and business thrived. In 1956 Independent Metals decided to join forces permanently with the original Fruehauf Trailer Company, and thereby became a division of the Fruehauf Corporation.



TOTAL TRANSPORTATION efficiency of modern highway construction owes much to highly specialized equipment such as this Bottom Hopper Pressure Tank which can unload tons of dry cement in just minutes on a construction site.

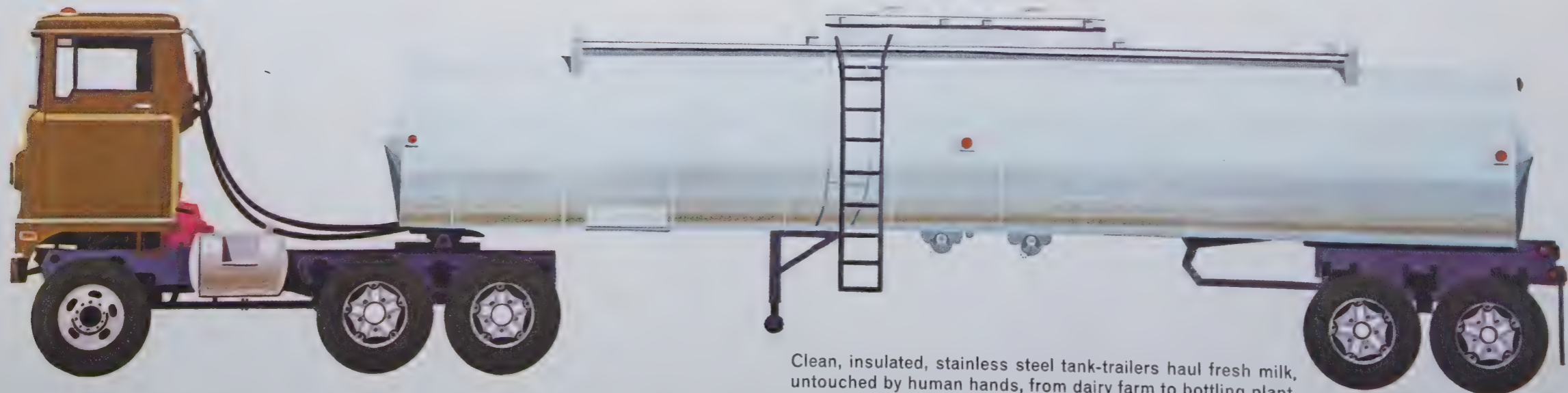
INDEPENDENT Metal Products Division today has three manufacturing plants, strategically located at Omaha, Nebraska; Fresno, California; and Uniontown, Pennsylvania. A new plant at Omaha, now under construction, will be the largest integrated tank and bulk

trailer plant to be found anywhere in the world. Making full use of modern materials such as aluminum and stainless steel, Independent Metal's tank-trailers can haul a tremendous variety of different materials without danger of contamination. Each tank

is designed for maximum efficiency. Aluminum tanks permit carriers to move bigger payloads. Stainless steel tanks provide maximum safety for a variety of products like chemicals and milk, where absolute sanitation is a requirement for cargo purity.



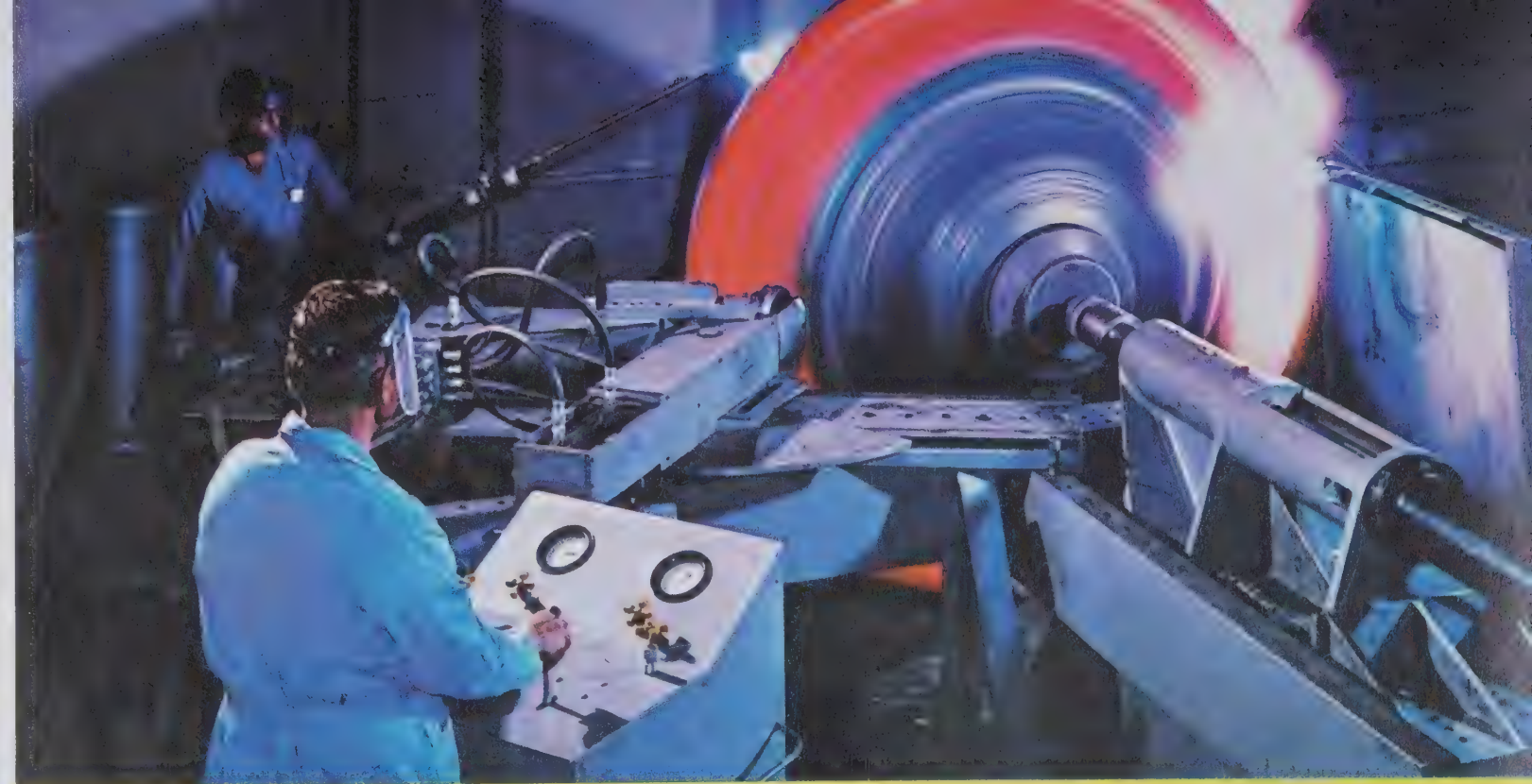
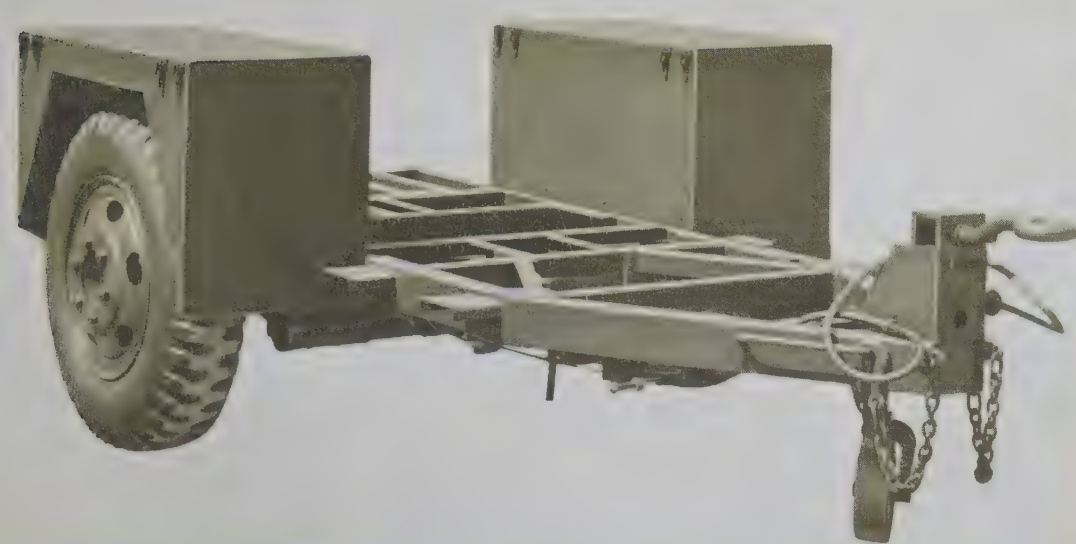
High-capacity Storage Hopper Pressure Tank can be moved to wherever it is needed to provide bulk storage.



Clean, insulated, stainless steel tank-trailers haul fresh milk, untouched by human hands, from dairy farm to bottling plant.

## Military Products Division

FRUEHAUF'S development know-how, technical experience and versatile production facilities have, for years, successfully met the challenging demands of government and the armed services. Military Products Division produces highly specialized transport vehicles, ground support equipment and missile handling and launching equipment—in addition, of course, to a wide range of standard trailers. This one division is engaged in every phase of the TOTAL TRANSPORTATION picture.



↑ Fruehauf's Military Products plant at Fullerton, California, is capable of spinning a great variety of steel and aluminum shapes, some as large as 196 inches in diameter. A typical use for this type of product is as nose cones on rockets.

↓ The Larc XV, a 15-ton capacity amphibious craft is designed to transport men and materials at beachhead landings. Built at Military Products Division's Fullerton, California plant, this remarkable vehicle can handle a full-size truck with ease.



↑ To serve the infantry, Fruehauf produces rugged equipment like the two-wheel trailer chassis pictured here. It's a flexible unit . . . ready to handle a wide variety of jobs.

↓ This M 151 ¼-ton utility truck, with a body built in Fruehauf's Delphos, Ohio plant, has a 300-mile range, can be equipped to operate at 65° below zero. Its lightweight design gives it superior air-drop capability.



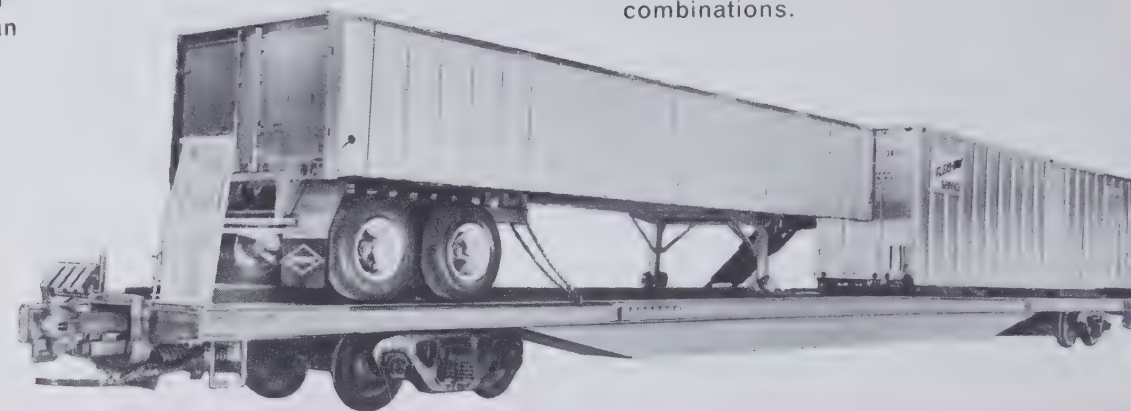
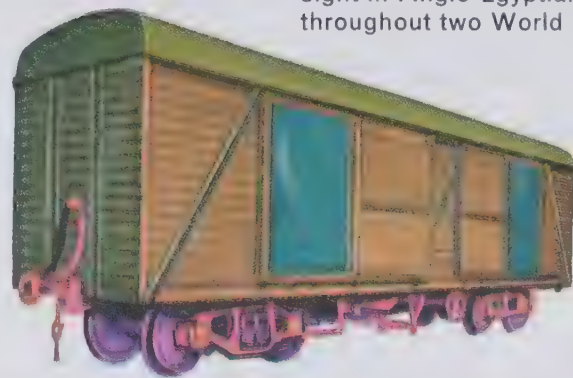
# *Magor Car Corporation...Serving the Railroads of the World*

HEADQUARTERED at Clifton, New Jersey, Magor is the newest member of the Fruehauf corporate family. Builder of the first modern aluminum hopper car, Magor traces its colorful history from the early days of railroading. During World War I, it designed and built 1000 rolling field kitchens for the French army, and after the U.S. entered the war, similar equipment was produced to serve the doughboys.

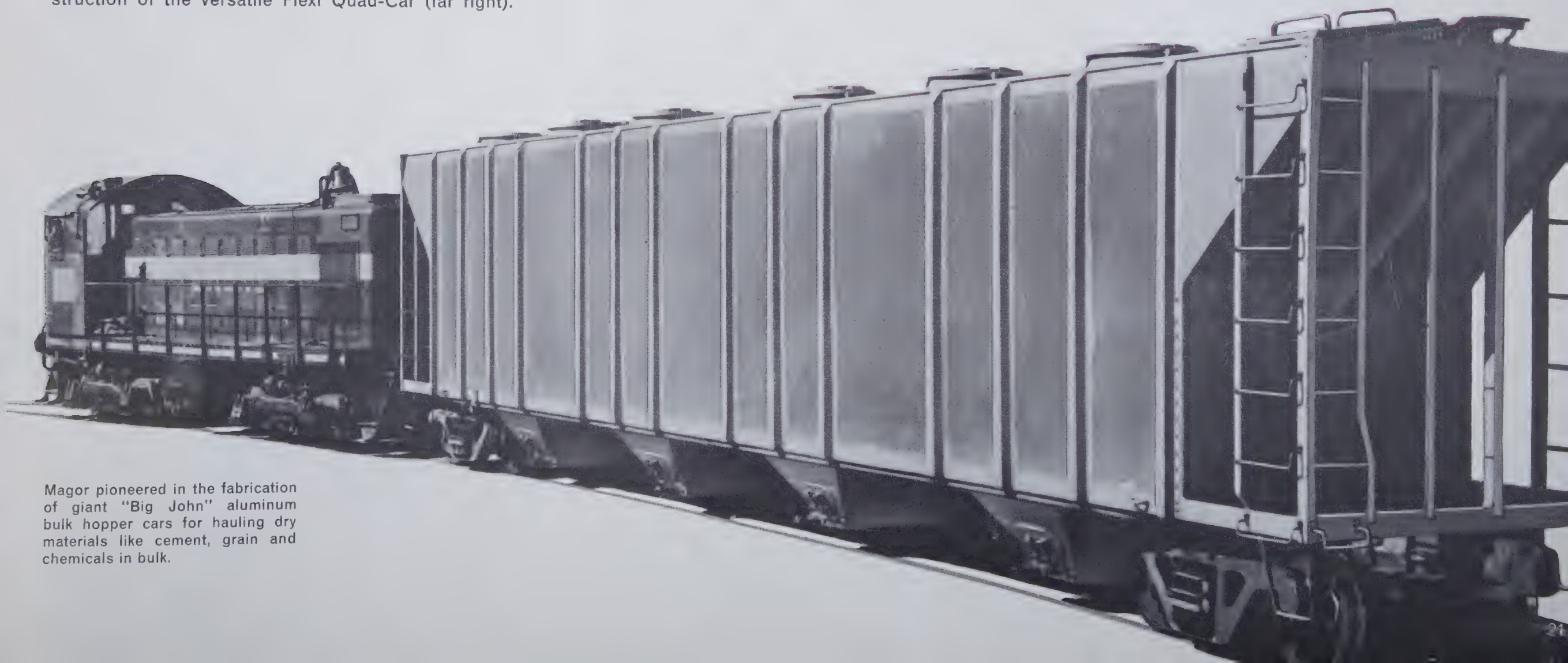
At about the same time, Magor built the largest freight car ever constructed—24 wheels and a capacity of 250 tons—to haul heavy guns for the United States Navy.

Magor has long been a leader in the railcar export field. Today, Magor railcars of almost countless types and capacities operate in 54 countries throughout the world. Magor makes a two-way contribution to the TOTAL TRANSPORTATION picture with the construction of the versatile Flexi Quad-Car (far right).

Magor-built boxcar—a familiar sight in Anglo-Egyptian Sudan throughout two World Wars.



Flexi Quad-Car . . . the first and only combination carrier designed for rail transport of piggyback trailers, Flexi-Van and conventional containers, exclusively or in combinations.



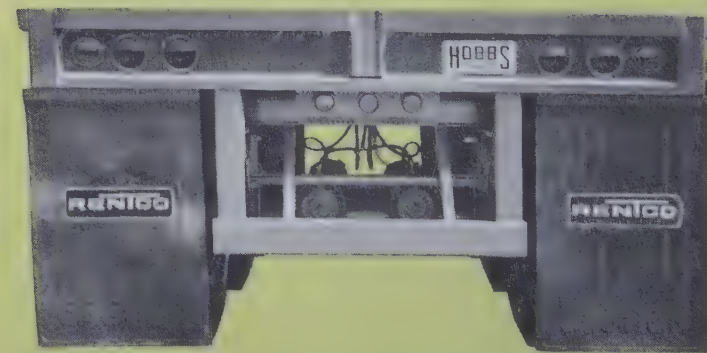
Magor pioneered in the fabrication of giant "Big John" aluminum bulk hopper cars for hauling dry materials like cement, grain and chemicals in bulk.

# Rentco Division...Transportation Efficiency by the Day, the Week

FRUEHAUF'S Rentco Division operates as a nation-wide trailer rental service to the transportation industry. It makes trailers and containers available on a short-term rental basis to truck operators and other common and private

carriers who need extra transportation equipment for temporary rush periods. Rentco units are also the answer for those who are waiting for delivery of recently purchased equipment. A pool of dry freight vans, refrigerated

vans, flat beds, containers, and other types . . . products of practically every division of the Fruehauf Corporation . . . is always available at Rentco branches. The list of branch locations is continuously expanding with demand.



Rentco Division maintains a pool of first-quality rental units, available for short-term and emergency service.

## *D-Fab Division...*

SOUTHAMPTON, Pennsylvania is the home of Fruehauf's D-Fab Division, creator of the highly versatile Trackmaster, a compact crawler-type tractor that trenches, back-fills and grades with equal dexterity. This economical, multi-purpose unit is ideally suited to a wide variety of jobs in the areas of construction, recreation and municipal service.



## *Automatic Systems Division... Specialists in Materials Handling*

IN FURTHERING its TOTAL TRANSPORTATION concept, Fruehauf Corporation established its Automatic Systems Division in 1962. Today, Automatic Systems is equipped to solve any materials handling problem in plants, warehouses, post offices, airports, cargo terminals.

Modern Fruehauf conveyor systems save steps and money.



One man does the work of a small crew.



## Research and Development...In Pursuit of Perfection

A MIGHTY surge of power from giant drive motors, then rubber bites into three sets of big steel rollers—another dynamometer test by Fruehauf Corporation engineers (see below) is underway. It's the best way to prove a new product, to detect anything that needs correcting. This "indoor turnpike test" simulates every

conceivable highway condition. Sensitive instruments "read" the action of the trailer from tire-tread to rooftop and tell engineers more in a few hours than they could learn during 50,000 miles of actual road tests. This is the kind of advanced research that proves new products of each division before the first order is taken.



## Parts Builder Too...

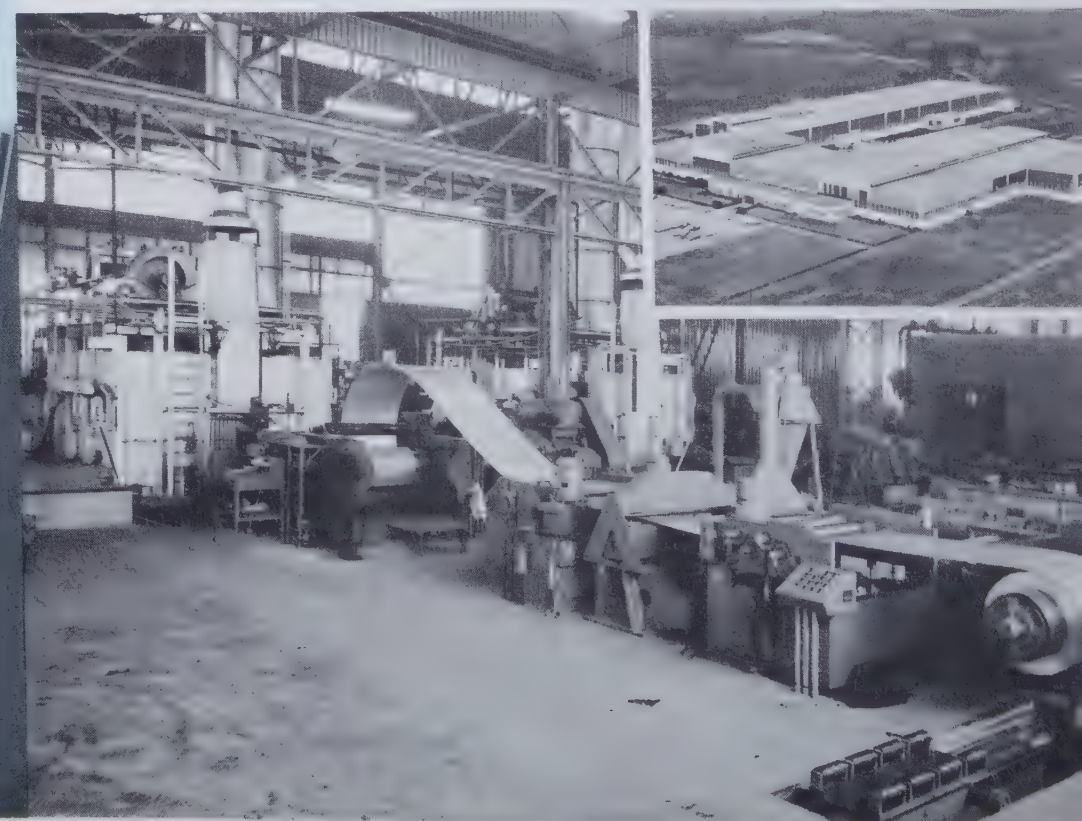
FRUEHAUF Corporation factories at Delphos, Ohio and Decatur, Alabama are unique in that neither one produces a single trailer or container. Their sole function is to build parts for the various manufacturing divisions. At corporate headquarters a special committee scrutinizes components used by each division—recommends whether to "make or buy." As a result of committee findings the entire corporation has realized substantial savings by building a large percentage of trailer components.



*Above*—At the Delphos plant are produced high usage components, such as fifth wheels and landing gears, for shipment to manufacturing divisions.

*Below right*—Fruehauf produces aluminum sheet and aluminum extrusions in this plant in Decatur, Alabama.

*Below*—The largest continuous aluminum sheet rolling mill in the United States is operated by Fruehauf in their Decatur factory—produces skins for trailers, containers and truck bodies.



## *Fruehauf Finance Company...Dedicated to Industry Growth*

THE NATURE of finance agreements is particularly important in the transportation industry, where a variety of unique circumstances and conditions can create extreme peaks and valleys in the earning power of customers of Fruehauf Corporation's divisions.

Fruehauf Finance Company, with its first-hand knowledge of transportation problems, has the experience and flexibility needed to tailor finance terms and conditions to the specific needs of an individual customer. Hundreds of successful men in the transportation industry today can look back to the assistance they received from the Fruehauf Finance Company.



## *Transport Investment Division...*

FRUEHAUF'S Transport Investment Division is helping the transportation business to grow—through loans—to keep pace with increasing demands for service. Whatever the need—whether it is for a new freight terminal; repair, expand or modernize existing facilities; for additional office space and equipment; or for something as fundamental as operating capital—Transport Investment Division stands ready to lend financial assistance. This type of financing service is available to any transport business on terms and conditions that have the flexibility to meet individual requirements.



# *Air Cargo Systems...Leadership Today to Fill Tomorrow's Needs*



NEWS reaches Washington, D.C. about an earthquake in Alaska. Thousands homeless . . . famine threatens! Within hours, tons of food and medical supplies are rounded up, packed and sealed inside big, 40-foot containers. Tractors rush loaded containers to the airport where giant jet cargo liners

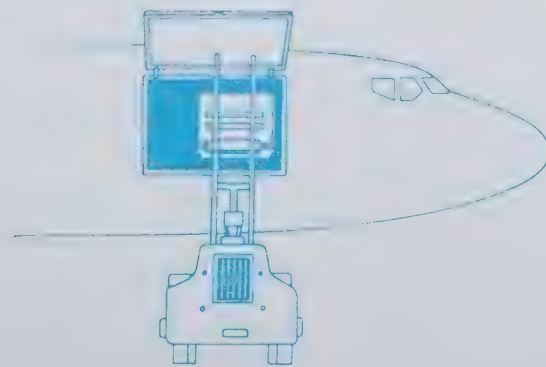
stand by . . . clam-shell doors wide open to receive the precious cargo. Containers slide off their wheels into the planes, doors slam shut and within minutes the urgently needed supplies are airborne . . . winging northward.

Such has been the progress in the field of air

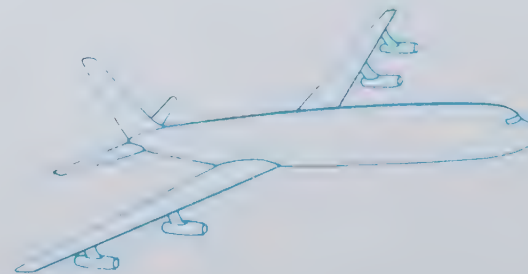
cargo transportation. Fruehauf divisions now provide containers for a broad range of products—to be shipped by widely diversified industries like the interline system illustrated below. The Corporation is dedicated to the continuous development of more efficient systems for air cargo transport.



Container loaded and sealed at factory.



By truck to airport for loading aboard plane.



Heads across country faster than sound.



Into the trailer for final delivery that same day.

# *Fruehauf International and Canada...the Sun Never Sets on the Fruehauf Corporation*

## *Canada*



TRAILERS of every description—vans, tanks, platforms, construction type and many others—are produced in a steady stream by the Fruehauf of Canada Limited factory at Dixie, Ontario . . . the largest plant of its kind in Canada. A second plant is located at Calgary, Alberta—and from east to west, a network of fully-equipped factory branches provide customers with service of all kinds . . . to keep Fruehauf Trailers on the move . . . earning for their owners.

## *England*



CRANE Fruehauf Trailers Limited, Fruehauf's English associate, is one of the oldest established trailer companies in the United Kingdom. Factories are located at Dereham and North Walsham for production of a complete line of aluminum vans, tanks and platforms to serve markets in the United Kingdom and overseas.

## *Germany*



DEUTSCHE Fruehauf, GmbH. & Co. KG. operates the newest trailer plant in Europe at Schierling, Bavaria . . . just outside of Munich. The Fruehauf Trailers produced here are absorbed by Germany's fast-developing semi-trailer market. Typical of the quality and advanced design of Deutsche Fruehauf's products is the dump (Kipper) trailer which can discharge cargo to either side or to rear.

## *Sweden*



SINCE 1957, Fruehauf's associate in Sweden has been Ab. Svenska Järnvägsverkstaderna (ASJ). ASJ started business in 1907 as a builder of railway cars and its three largest plants, at Linköping, Falun and Arlöv, were designed for this purpose. The manufacture of road vehicles began in the late 1920's and today a wide variety of ASJ-Fruehauf Trailers are produced: platforms, vans, dumps and automobile transports.

## *Netherlands*



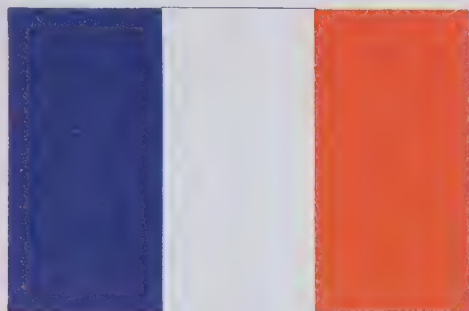
N.V. Nederlandsche Tank-Apparatenen Machinefabriek (NETAM), Fruehauf's associate in the Netherlands, employs over 500 people at seven plant locations. NETAM is a leading manufacturer of hydraulic equipment, truck tanks, and dump bodies for trucks and trailers. The plant at Leek builds modern aluminum containers and high-capacity open-top vans which are in big demand to transport paper rolls from Amsterdam to Berlin.

## *Spain*



ORGANIZED in 1949, Fruehauf S. A., headquartered in Madrid, has been a pace setter in the promotion of over-the-highway equipment used throughout Spain. Four collaborating factories in Irun, Beasain, Zaragoza and Alicante manufacture a full line of vans, platforms, and tankers, and production is climbing steadily with the national economy. Sturdy carryalls are typical of the high quality standards maintained by Fruehauf S.A.

## *France*



ESTABLISHED in 1946, Fruehauf France, S.A., with administrative offices at Ris-Orangis, near Paris, is Fruehauf's first and oldest overseas operation. Employing over 500 people, this associate produces platform trailers, vans, and tank-trailers in Europe's most modern trailer plant at Auxerre. Distribution and service are handled through an extensive dealer organization reaching southward from Lomme to Marseille.

## *Australia*



IN 1957, Fruehauf Corporation united with Australia's Clyde Industries, Limited to form Fruehauf Trailers Australasia Pty. Limited. Today, facilities at Sydney, Melbourne, Brisbane and Adelaide build a full line of highway equipment that is reputed to be the finest in Australia. The company successfully introduced the Flexi-Van System to Australia, and it is operating today between Sydney and Melbourne.

## *Republic of South Africa*



SINCE 1958, Fruehauf Trailers have been built in South Africa by Trailer Manufacturing Company, Limited, Fruehauf's associate in Johannesburg. Service branches throughout south and central Africa take care of sales and customer service. Recently the company received a large order from the South Africa Railroad for semi-trailers to be finished in their own workshop.

## *Japan*



NIPPON Fruehauf Company, Limited, headquartered in Tokyo, was formed to manufacture Fruehauf aluminum truck bodies and vans for distribution throughout Japan and Okinawa. The main plant at Atsugi (near Tokyo) is the newest of Fruehauf's world-wide facilities. Nippon Fruehauf is expected to continue to grow with the development of Japan's new, high-priority arterial highway system.

## *Brazil*



FRUEHAUF Do Brazil, S.A., was established in 1951. Located in Sao Paulo, it is one of the oldest of Fruehauf's subsidiaries and is growing with the economy of the giant of Latin America. A full line of Fruehauf equipment is produced at Sao Paulo for light and heavy industry. A special program was set up recently for the manufacture of the Colecom refuse disposal unit which is now in great demand by metropolitan communities.



**FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES**

# Consolidated Statement of Net Earnings

YEARS ENDED DECEMBER 31, 1964, AND DECEMBER 31, 1963

## Accountants' Report

### TOUCHE, ROSS, BAILEY & SMART

1380 FIRST NATIONAL BUILDING  
DETROIT, MICHIGAN 48226

February 15, 1965

Board of Directors and Shareholders,  
Fruehauf Corporation,  
Detroit, Michigan.

We have examined the accompanying consolidated balance sheet of Fruehauf Corporation and consolidated subsidiaries as of December 31, 1964, and the related statements of net earnings, earnings retained for use in the business, and additional paid-in capital for the year then ended, and the consolidated statement of working capital. We have also examined the accompanying balance sheet of Fruehauf Finance Company as of December 31, 1964, and the related statement of net earnings and earnings retained for use in the business for the year then ended. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of Fruehauf Corporation and consolidated subsidiaries and the financial position of Fruehauf Finance Company at December 31, 1964, and the respective results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Further, it is our opinion that the consolidated statement of working capital presents fairly the information shown therein.

TOUCHE, ROSS, BAILEY & SMART  
Certified Public Accountants

### REVENUES:

	1964	1963
Commercial sales .....	\$304,156,773	\$261,289,250
Rentals on leased equipment .....	7,394,318	6,304,713
Defense sales .....	14,441,117	9,819,019
Total sales .....	\$325,992,208	\$277,412,982
Less excise taxes .....	13,255,079	12,002,594
Net sales .....	\$312,737,129	\$265,410,388
Earnings before taxes on income of Fruehauf Finance Company (Notes C and D) ..	5,822,263	5,584,872
Finance revenue and interest .....	2,512,697	2,109,459
Miscellaneous .....	597,067	1,914,505
	<u>\$321,669,156</u>	<u>\$275,019,224</u>

### COSTS AND EXPENSES:

Cost of products and service sold, other than items below .....	\$252,515,165	\$210,684,810
Selling and administrative expenses .....	22,903,342	19,980,691
Depreciation and amortization of plant and equipment .....	3,817,403	3,521,959
Taxes—property, payroll, state income, and miscellaneous .....	5,815,885	5,267,367
Interest on long-term debt, including \$686,035 in 1964 and \$753,109 in 1963 to Fruehauf Finance Company .....	2,426,289	2,636,146
	<u>\$287,478,084</u>	<u>\$242,090,973</u>

### EARNINGS BEFORE TAXES ON INCOME

\$ 34,191,072	\$ 32,928,251
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### UNITED STATES AND CANADIAN TAXES ON INCOME (Note D) .....

16,400,000	16,120,000
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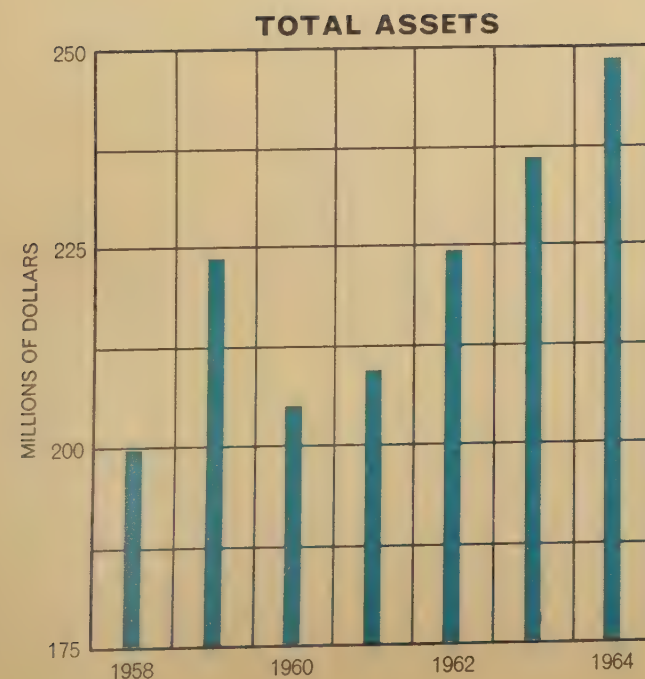
### NET EARNINGS

<u>\$ 17,791,072</u>	<u>\$ 16,808,251</u>
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See notes to financial statements.

# FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Balance Sheets

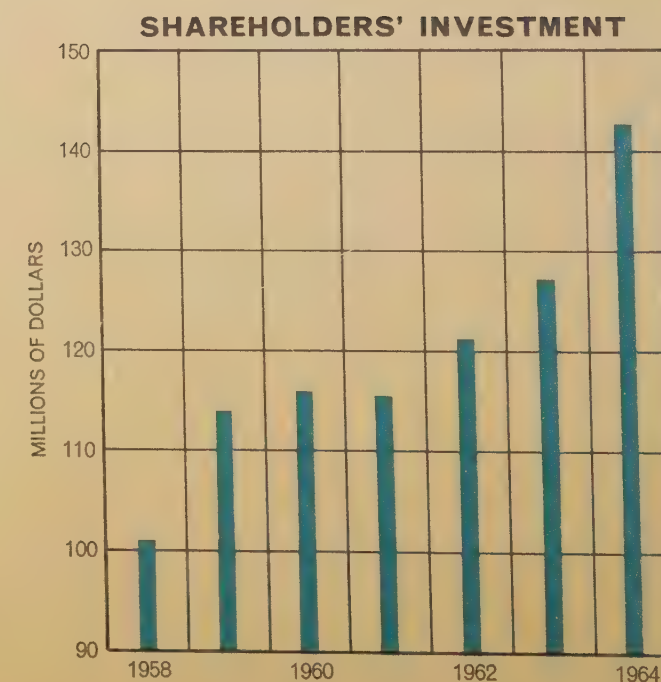


ASSETS	December 31, 1964	December 31, 1963
<b>CURRENT ASSETS:</b>		
Cash.....	\$ 8,207,178	\$ 18,214,846
Marketable securities—at cost and accrued interest (approximately equal to market) .....	4,268,340	1,679,689
<b>CASH AND MARKETABLE SECURITIES</b>	<b>\$ 12,475,518</b>	<b>\$ 19,894,535</b>
Trade receivables:		
Installment contracts (including installments of approximately \$2,935,000 maturing after one year) less deferred finance charges of \$552,013 at December 31, 1964	\$ 7,017,549	\$ 19,496,118
Accounts receivable.....	39,554,664	39,253,296
	\$ 46,572,213	\$ 58,749,414
Less allowance for doubtful receivables.....	2,000,000	2,000,000
	\$ 44,572,213	\$ 56,749,414
Inventories (Note B).....	72,709,452	57,941,502
Prepaid expenses.....	1,037,250	976,258
<b>TOTAL CURRENT ASSETS</b>	<b>\$130,794,433</b>	<b>\$135,561,709</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>		
Investments in and amounts due from affiliated companies not consolidated (Notes A and C) .....	\$ 55,340,866	\$ 49,553,512
Equipment leased to customers—at lower of cost or appraised value, less accumulated depreciation of \$8,431,340 at December 31, 1964 (Note D) .....	16,006,859	13,841,474
Transport Investment Division loans—secured, less deferred finance charges of \$1,660,159 at December 31, 1964 (excluding \$1,029,075 included in current assets)	5,478,563	1,188,239
Miscellaneous accounts and investments.....	3,243,562	2,910,077
	<b>\$ 80,069,850</b>	<b>\$ 67,493,302</b>
<b>PROPERTY, PLANT, AND EQUIPMENT:</b>		
Land—at cost.....	\$ 5,402,158	\$ 5,238,721
Buildings and building equipment—at cost.....	28,681,145	25,112,663
Machinery and other equipment—at cost.....	32,644,546	27,390,347
	\$ 66,727,849	\$ 57,741,731
Less accumulated depreciation and amortization.....	29,977,069	25,082,226
	<b>\$ 36,750,780</b>	<b>\$ 32,659,505</b>
<b>UNAMORTIZED DEBENTURE EXPENSES</b> .....	<b>173,991</b>	<b>204,443</b>
	<b>\$247,789,054</b>	<b>\$235,918,959</b>

# FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Balance Sheets

LIABILITIES AND SHAREHOLDERS' INVESTMENT	December 31, 1964	December 31, 1963
<b>CURRENT LIABILITIES:</b>		
Notes payable.....	\$ 2,000,000	\$ —0—
Accounts payable and accrued expenses:		
Trade accounts.....	\$ 26,771,114	\$ 19,499,957
Due to subsidiary not consolidated.....	1,042,741	2,821,573
Salaries, wages, and employee benefits.....	5,890,407	5,654,100
Taxes—property, payroll, state income, and excise.....	4,033,751	3,984,474
Interest.....	421,771	486,949
	<u>\$ 38,159,784</u>	<u>\$ 32,447,053</u>
Dividends payable.....	2,760,871	6,917,083
United States and Canadian taxes on income (Note D).....	10,118,448	9,948,712
<b>TOTAL CURRENT LIABILITIES</b>	<u>\$ 53,039,103</u>	<u>\$ 49,312,848</u>
<b>NONCURRENT LIABILITIES:</b>		
Deferred compensation.....	\$ 1,351,054	\$ 1,003,563
Deferred taxes on income (Note D).....	2,982,261	2,174,098
Long-term debt (Note E).....	46,291,084	55,602,059
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>\$ 50,624,399</u>	<u>\$ 58,779,720</u>
<b>MINORITY INTERESTS</b> in net assets of consolidated subsidiaries.....	1,002,101	717,558
<b>SHAREHOLDERS' INVESTMENT:</b>		
4% Preferred Stock, cumulative, par value \$100.00 a share; redemption price \$104.50 a share (no sinking fund payments required until 1971):		
Authorized and outstanding at December 31, 1964—55,735 shares.....	\$ 5,573,500	\$ 5,573,500
Common Stock, par value \$1.00 a share:		
Authorized 10,000,000 shares (Note G)		
Issued 7,443,394 shares at December 31, 1964.....	7,443,394	7,175,556
Additional paid-in capital.....	101,605,814	95,237,578
Earnings retained for use in the business, after transfers to capital of \$28,783,999 in prior years (Note E).....	30,226,599	20,848,055
Cost of Common Stock held in treasury—81,112 shares (deduction*) (Note E).....	1,725,856*	1,725,856*
	<u>\$143,123,451</u>	<u>\$127,108,833</u>
<b>COMMITMENTS AND CONTINGENT LIABILITIES</b>		
(Notes F, H, and I)		
	<u>\$247,789,054</u>	<u>\$235,918,959</u>



**FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES**

**Consolidated Statement  
of Earnings Retained  
for Use in the Business**

	<b>1964</b>	<b>1963</b>
Balance at beginning of year.....	\$ 20,848,055	\$17,492,855
Net earnings for the year.....	<u>17,791,072</u>	<u>16,808,251</u>
	\$ 38,639,127	\$34,301,106
Less:		
Cash dividends declared:		
4% Preferred Stock.....	\$ 222,940	\$ 223,150
Common Stock:		
\$1.12½ a share in 1964 and \$1.87½ a share in 1963 (including \$0.37½ and \$0.97½ a share, respectively, paid in the subsequent year).....	<u>8,189,588</u>	<u>13,229,901</u>
<b>TOTAL DIVIDENDS</b>	<u>\$ 8,412,528</u>	<u>\$13,453,051</u>
Balance at end of year.....	<u><u>\$ 30,226,599</u></u>	<u><u>\$20,848,055</u></u>

**Consolidated Statement  
of Additional  
Paid-in Capital**

	<b>1964</b>	<b>1963</b>
Balance at beginning of year.....	\$ 95,237,578	\$92,802,019
Excess of par value over purchase price of 230 shares of 4% Preferred Stock acquired in 1963	—0—	3,347
Excess of fair value (option price) over par value of Common Stock sold under Restricted Stock Option Plans (1964—58,701 shares; 1963—103,461 shares).....	1,075,854	1,808,439
Excess of principal amount of convertible subordinated debentures over the par value of Common Stock issued upon conversion (1964—209,137 shares; 1963—24,645 shares)	<u>5,292,382</u>	<u>623,773</u>
Balance at end of year.....	<u><u>\$101,605,814</u></u>	<u><u>\$95,237,578</u></u>

*See notes to financial statements.*

FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES

Notes to Financial Statements

YEAR ENDED DECEMBER 31, 1964

Note A—PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Corporation and its domestic and Canadian subsidiaries other than Fruehauf Finance Company. The investment in Fruehauf Finance Company is carried at equity in net assets in the consolidated balance sheet and its earnings for the year are included in consolidated net earnings. The investments in other subsidiaries are carried at cost.

The Corporation's consolidated Canadian subsidiary (91.3% owned) has stock purchase warrants outstanding which if fully exercised would increase the minority interest to approximately 16.8%.

NOTE B—INVENTORIES

Inventory amounts are based upon physical determinations during the year and have been stated at the lower of cost or market prices. Cost prices are determined by the first-in, first-out method, and market prices represent the lower of replacement cost or estimated net realizable amount.

A summary of inventories follows:

	December 31	
	1964	1963
New trailers.....	\$12,623,562	\$12,344,031
Production parts, work in process, and raw materials.....	41,361,681	28,857,353
Service parts and orders in process.....	12,381,252	11,516,620
Used trailers—at appraised values, less estimated disposal costs (Note D).....	6,342,957	5,223,498
	<u>\$72,709,452</u>	<u>\$57,941,502</u>

NOTE C—INVESTMENTS IN AND AMOUNTS DUE FROM AFFILIATED COMPANIES NOT CONSOLIDATED

Fruehauf Finance Company (100% owned):

	1964	1963
Investment—at equity in net assets.....	\$35,881,506	\$32,959,243
Amounts due, subordinated to certain obligations of that subsidiary.....	17,096,338	14,234,660
	<u>\$52,977,844</u>	<u>\$47,193,903</u>

Affiliated companies outside of the United States and Canada:

	1964	1963
Investments—at cost.....	\$ 1,706,657	\$ 1,637,521
Amounts due.....	1,056,365	1,122,088
	<u>\$ 2,763,022</u>	<u>\$ 2,759,609</u>
Less provision for exchange and other losses.....	400,000	400,000
	<u>\$ 2,363,022</u>	<u>\$ 2,359,609</u>
<b>TOTAL</b>	<u><b>\$55,340,866</b></u>	<u><b>\$49,553,512</b></u>

The equity of the Corporation in accumulated earnings retained for use in the business of Fruehauf Finance Company was \$22,881,506 at December 31, 1964. The equity of the Corporation in the earnings before taxes on income of this subsidiary was \$5,822,263 in 1964 and \$5,584,872 in 1963.

The equity of the Corporation in net assets of the affiliated companies outside of the United States and Canada was \$2,400,818 at December 31, 1964, after giving effect to exchange adjustments. This amount is \$694,161 in excess of the related investments. No dividends were paid by these affiliated companies in 1964 or 1963, and the Corporation's share of their net earnings was \$254,578 in 1964 and \$530,699 in 1963, after giving effect to exchange adjustments.

Ownership by the Corporation or its subsidiaries in affiliated companies outside of the United States and Canada is listed below:

Company and Location	Ownership	Company and Location	Ownership
Fruehauf International Limited—Liechtenstein.....	100%	Fruehauf Trailers Australasia Pty., Limited—Australia...	50%
Fruehauf do Brazil, S.A.—Industrias de Viaturas—Brazil	100	Fruehauf Distributors, Pty., Limited—Australia.....	50
Remorques Fruehauf S.A.—Switzerland.....	100	Deutsche Fruehauf GmbH & Co. KG—West Germany....	50
Fruehauf France, S.A.—France.....	67	Crane Fruehauf Trailers Limited—England.....	33

NOTE D—UNITED STATES AND CANADIAN TAXES ON INCOME

The amounts shown for United States and Canadian taxes on income in the consolidated statement of net earnings include taxes (\$2,900,000 in 1964 and \$2,930,000 in 1963) on income of the finance subsidiary.

In 1959 the Internal Revenue Service asserted certain deficiencies in United States income taxes paid with respect to the Corporation's practice of stating used trailers at \$1.00 each for United States income tax purposes for the years subsequent to 1953. The Corporation thereafter filed petitions with the Tax Court of the United States contesting such proposed additional taxes. The decision by the Tax Court was rendered on April 13, 1964, and required the Corporation to state used trailers at appraised value rather than at \$1.00 each but permitted it to permanently exclude from taxable income the appraised value of used trailers on hand at December 31, 1953. The Corporation has appealed the decision to the extent it would require used trailers to be stated at appraised value retroactively to 1954. However, the portion of the decision relating to exclusion from taxable income of the appraised value of used trailers on hand at December 31, 1953, has become final inasmuch as the Internal Revenue Service did not appeal. The liability of the Corporation for additional taxes and interest attributable to the decision of the Tax Court has been provided for in the financial statements.

# FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Notes to Financial Statements

(Continued)

The current liability for United States and Canadian taxes on income in the consolidated balance sheet includes at December 31, 1964, \$8,070,000 payable currently and \$3,090,000 applicable to used trailers included in current assets reduced by \$1,040,000 arising from future tax benefits. The future tax benefits relate to certain anticipated losses which have been recognized by charges against earnings but which have not been deducted for tax purposes. Deferred taxes on income are applicable principally to used trailers leased to customers (included in investment and other assets) and depreciation of property, plant, and equipment deducted for tax purposes but not for financial reporting purposes.

### NOTE E—LONG-TERM DEBT AND RESTRICTIONS ON DIVIDENDS ON COMMON STOCK

	December 31	
	1964	1963
Long-term debt is summarized below:		
Amounts payable to Fruehauf Finance Company, less prepaid finance charges—secured by pledge of leased trailer rentals .....	\$ 7,066,084	\$ 9,063,059
3¾% Sinking Fund Debentures due June 1, 1974; redemption price to May 31, 1965, 102%, decreasing ¼ of 1% each year thereafter; annual sinking fund requirements of \$1,000,000 (no sinking fund payments required until 1968) .....	10,275,000	11,969,000
4% Sinking Fund Debentures due March 1, 1976; redemption price to February 28, 1965, 102½%, decreasing ¼ of 1% each year thereafter; annual sinking fund requirements of \$500,000 (no sinking fund payments required until 1968) .....	6,171,000	6,247,000
5¼% Sinking Fund Debentures, Series "A", of Fruehauf Trailer Company of Canada Limited due November 1, 1976; redemption price to November 1, 1965, 103%, decreasing ¼ of 1% each year thereafter; annual sinking fund requirements of \$150,000 (no sinking fund payments required until 1967) .....	1,973,000	2,028,000
4% Convertible Subordinated Debentures due March 1, 1976; redemption price to February 28, 1965, 103¾%, decreasing ¾ of 1% each year thereafter; presently convertible into Common Stock at \$26.24 a share (no sinking fund payments required until 1973) .....	20,806,000	26,295,000
<b>TOTAL</b>	<b>\$46,291,084</b>	<b>\$55,602,059</b>

The indentures relating to the Sinking Fund Debentures and Convertible Subordinated Debentures and also the terms of the outstanding Preferred Stock, among other covenants, impose certain restrictions on the declaration or payment of cash dividends on Common Stock and purchase of shares of such stock. In accordance with Michigan law, an amount equal to the cost of Common Stock held in treasury is restricted as to payment of dividends. At December 31, 1964, earnings retained for use in the business amounted to \$30,226,599. Of this amount, all except \$1,725,856 were free from the above restrictions.

### NOTE F—LONG-TERM LEASES

Fruehauf Corporation or Fruehauf Trailer Company of Canada Limited are lessees under 63 long-term lease agreements expiring three years to 23 years from December 31, 1964. Annual rental requirements of such leases will amount to approximately \$1,490,000 in 1965, exclusive of taxes, insurance, maintenance, and repairs which are also payable by the companies.

Under the terms of 47 of the lease agreements, the companies have the right to purchase the properties after certain specified periods (generally five years from the date of the lease). The rental payments and purchase prices in most cases decline gradually over the terms of these leases. If all the rights to purchase were presently exercisable, the aggregate purchase price would amount to approximately \$12,980,000.

### NOTE G—RESERVATION OF COMMON STOCK

At December 31, 1964, 792,912 shares of Common Stock were reserved for conversion of the 4% Convertible Subordinated Debentures and 146,442 shares for Restricted Stock Option Plans, a total of 939,354 shares.

At December 31, 1963, options for 89,004 shares were outstanding under Restricted Stock Option Plans at prices from \$18.41 to \$24.11 a share, the average being \$23.13. During 1964, no options were granted (options for 28,729 shares were reinstated), options for 58,701 shares were exercised, and options for 9,645 shares were canceled. At December 31, 1964, options for 49,387 shares were outstanding at prices from \$21.26 to \$23.63 a share, the average being \$23.60. Options are presently exercisable for 30,843 shares aggregating \$727,158. The option prices are 95% of the market prices on the dates the options were granted.

### NOTE H—PENSIONS

Unfunded past service costs of pension plans covering certain employees amounting to approximately \$8,810,000 at December 31, 1964, are being amortized over thirty-year periods. The amount charged to operations in 1964 for such plans was \$1,660,959.

### NOTE I—LITIGATION

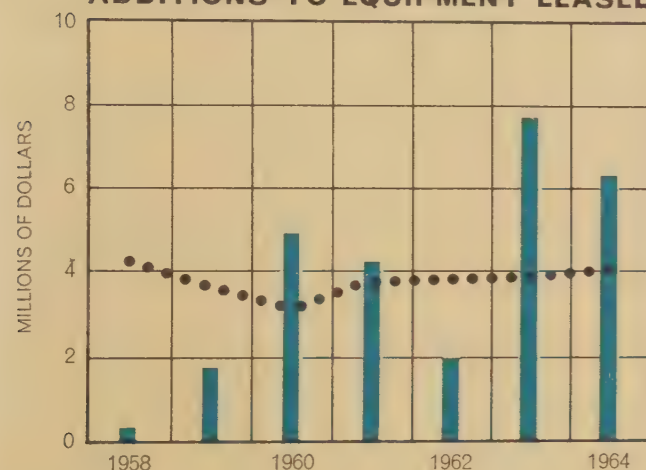
In 1963 an Examiner of the Federal Trade Commission dismissed an antitrust complaint filed against the Corporation in 1956, in all respects, except that he ordered divestiture of the assets acquired from Hobbs Manufacturing Company and Hobbs Trailer and Equipment Company. The facilities so ordered divested contribute less than 3% to earnings of the Corporation. The decision of the Examiner will be appealed. If an order of divestiture is ultimately entered by the Commission, the Corporation would receive fair compensation for any properties divested.

# FRUEHAUF CORPORATION AND CONSOLIDATED SUBSIDIARIES

## Consolidated Statement of Working Capital

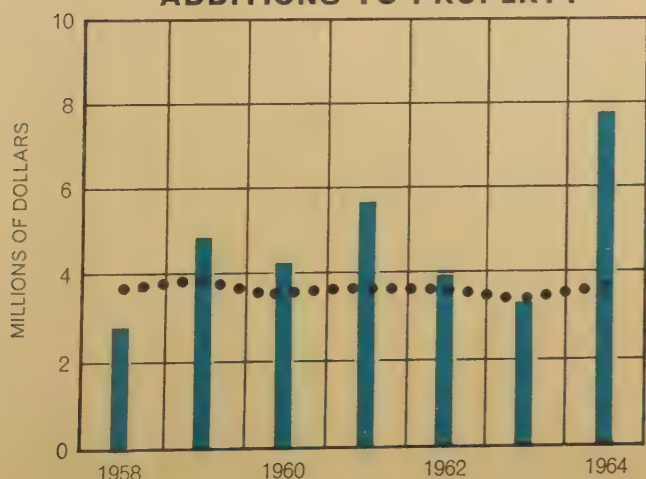
YEARS ENDED DECEMBER 31, 1964, AND DECEMBER 31, 1963

### ADDITIONS TO EQUIPMENT LEASED



..... DEPRECIATION

### ADDITIONS TO PROPERTY



..... DEPRECIATION

### SOURCES OF WORKING CAPITAL:

#### Operations:

Net earnings for year.....	\$17,791,072	\$16,808,251
Depreciation of equipment leased to customers.....	4,192,855	3,899,937
Depreciation and amortization of plant and equipment.....	3,817,403	3,521,959
Total from Operations	\$25,801,330	\$24,230,147

#### Other:

Sale of Common Stock to employees under Restricted Stock Option Plans .....	1,134,555	1,911,900
Increase in deferred taxes on income.....	808,163	72,269
Increase in deferred payments of compensation.....	347,491	400,659
Miscellaneous.....	327,514	153,834
	\$28,419,053	\$26,768,809

### APPLICATION OF WORKING CAPITAL:

Cash dividends—4% Preferred Stock.....	\$ 222,940	\$ 223,150
Cash dividends—Common Stock.....	8,189,588	13,229,901
Purchase of debentures to satisfy future sinking fund requirements.....	1,825,000	2,641,000
Additions to equipment leased to customers, less disposals.....	6,358,240	7,859,721
Additions to property, plant, and equipment, less disposals.....	7,908,678	3,417,265
Increase in investments in and amounts due from affiliated companies not consolidated	5,787,354	2,302,959
Decrease (increase*) in amounts payable to Fruehauf Finance Company secured by pledge of leased trailer rentals.....	1,996,975	806,054*
Increase in Transport Investment Division secured loans.....	4,290,324	1,188,239
Increase in miscellaneous accounts and investments.....	333,485	746,765

**NET DECREASE IN WORKING CAPITAL FOR YEAR.....** \$ 8,493,531 \$ 4,034,137

**WORKING CAPITAL at beginning of year.....** 86,248,861 90,282,998

**WORKING CAPITAL at end of year.....** \$77,755,330 \$86,248,861

## Comparison of Operations 1964-55

	1964	1963	1962
<b>REVENUES:</b>			
Commercial sales.....	\$304,156,773	\$261,289,250	\$254,188,567
Rentals on leased equipment.....	7,394,318	6,304,713	5,977,348
Defense sales.....	14,441,117	9,819,019	12,796,073
Total sales.....	\$325,992,208	\$277,412,982	\$272,961,988
Less excise taxes.....	13,255,079	12,002,594	11,237,098
Net sales.....	\$312,737,129	\$265,410,388	\$261,724,890
Earnings (before taxes on income) of and interest from finance subsidiaries..	5,822,263	5,584,872	5,410,470
Finance revenue and interest.....	2,512,697	2,109,459	1,917,521
Miscellaneous.....	597,067	1,914,505	646,083
	\$321,669,156	\$275,019,224	\$269,698,964
<b>COSTS AND EXPENSES:</b>			
Cost of products and service sold.....	\$258,916,316	\$216,400,459	\$212,909,935
Selling and administrative expenses.....	26,135,479	23,054,368	21,606,377
Interest on long-term debt.....	2,426,289	2,636,146	2,673,144
United States and Canadian taxes on income.....	16,400,000	16,120,000	16,320,000
Special charges, less applicable taxes on income.....	—0—	—0—	—0—
	\$303,878,084	\$258,210,973	\$253,509,456
<b>NET EARNINGS (LOSS)</b>	\$ 17,791,072	\$ 16,808,251	\$ 16,189,508
<b>CASH DIVIDENDS PAID:</b>			
Preferred Stock.....	\$ 222,940	\$ 223,150	\$ 233,180
Common Stock.....	12,345,800	10,492,437	8,378,884
<b>TOTAL CASH DIVIDENDS</b>	\$ 12,568,740	\$ 10,715,587	\$ 8,612,064
<b>EARNINGS FOR YEAR RETAINED</b> in the business ( <i>reduction</i> ).....	\$ 5,222,332	\$ 6,092,664	\$ 7,577,444
Net earnings (loss) per share of Common Stock after deducting dividends on Preferred Stock (based on average number of shares outstanding) (Note A)	\$2.45	\$2.37	\$2.29
Cash dividends paid per share of Common Stock (Note A).....	\$1.725	\$1.50	\$1.20
Net earnings (loss) from each dollar of net sales.....	5.7¢	6.3¢	6.2¢
<b>CURRENT ASSETS:</b>			
Cash.....	\$ 8,207,178	\$ 18,214,846	\$ 15,344,394
Marketable securities.....	4,268,340	1,679,689	2,617,588
Trade receivables.....	44,572,213	56,749,414	60,731,746
Inventories.....	72,709,452	57,941,502	52,733,098
Prepaid expenses.....	1,037,250	976,258	1,039,238
<b>TOTAL CURRENT ASSETS</b>	\$130,794,433	\$135,561,709	\$132,466,064
<b>LESS CURRENT LIABILITIES:</b>			
Notes payable.....	\$ 2,000,000	\$ —0—	\$ —0—
Accounts payable and accrued expenses.....	40,920,655	39,364,136	30,617,604
United States and Canadian taxes on income.....	10,118,448	9,948,712	11,565,462
<b>TOTAL CURRENT LIABILITIES</b>	\$ 53,039,103	\$ 49,312,848	\$ 42,183,066
<b>NET CURRENT ASSETS</b> (working capital).....	\$ 77,755,330	\$ 86,248,861	\$ 90,282,998
Ratio of current assets to current liabilities.....	2.5 to 1	2.7 to 1	3.1 to 1
<b>ADD:</b>			
Investments and other assets.....	\$ 80,069,850	\$ 67,493,302	\$ 59,295,555
Property, plant, and equipment.....	36,750,780	32,659,505	32,764,199
Unamortized debenture expenses.....	173,991	204,443	258,113
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	\$194,749,951	\$186,606,111	\$182,600,865
<b>LESS:</b>			
Deferred taxes on income and deferred compensation.....	\$ 4,333,315	\$ 3,177,661	\$ 2,704,733
Long-term debt.....	46,291,084	55,602,059	58,084,005
Minority interests in net assets of consolidated subsidiaries.....	1,002,101	717,558	599,159
	\$ 51,626,500	\$ 59,497,278	\$ 61,387,897
<b>NET ASSETS</b> (shareholders' investment).....	\$143,123,451	\$127,108,833	\$121,212,968
Net Assets per share of Common Stock (Note A).....	\$18.68	\$17.13	\$16.60

Note A—Adjusted for share for share distribution of Common Stock on January 31, 1956.

## Comparison of Financial Position 1964-55

# CONSOLIDATED SUBSIDIARIES

1961	1960	1959	1958	1957	1956	1955
\$190,000,692	\$207,155,403	\$236,803,073	\$188,163,855	\$220,748,875	\$257,193,081	\$232,723,834
5,473,863	4,719,533	5,332,614	5,624,052	5,080,009	2,943,128	1,289,974
7,579,042	9,577,468	18,878,992	24,257,599	17,421,433	8,324,549	11,610,441
<u>\$203,053,597</u>	<u>\$221,452,404</u>	<u>\$261,014,679</u>	<u>\$218,045,506</u>	<u>\$243,250,317</u>	<u>\$268,460,758</u>	<u>\$245,624,249</u>
8,609,758	9,193,230	11,331,572	7,578,219	11,208,608	12,840,753	12,009,614
\$194,443,839	\$212,259,174	\$249,683,107	\$210,467,287	\$232,041,709	\$255,620,005	\$233,614,635
5,346,090	6,304,381	6,618,932	4,847,267	5,192,277	4,845,954	2,840,726
1,475,784	1,183,331	708,936	410,909	282,578	430,272	316,640
450,238	1,015,152	670,690	518,676	137,033	589,888	330,442
<u>\$201,715,951</u>	<u>\$220,762,038</u>	<u>\$257,681,665</u>	<u>\$216,244,139</u>	<u>\$237,653,597</u>	<u>\$261,486,119</u>	<u>\$237,102,443</u>
\$165,883,158	\$178,649,413	\$206,485,252	\$192,595,750	\$210,194,647	\$223,624,586	\$199,852,391
18,032,880	19,204,744	21,570,716	19,134,184	20,346,657	22,924,096	18,064,685
2,508,844	2,638,212	2,778,094	3,122,434	3,098,439	2,277,044	1,049,109
7,980,00	10,792,000	13,876,500	904,500	2,204,500	6,253,000	9,424,500
—0—	—0—	—0—	5,900,108	—0—	2,141,499	—0—
<u>\$194,404,882</u>	<u>\$211,284,369</u>	<u>\$244,710,562</u>	<u>\$221,656,976</u>	<u>\$235,844,243</u>	<u>\$257,220,225</u>	<u>\$228,390,685</u>
\$ 7,311,069	\$ 9,477,669	\$ 12,971,103	\$ (5,412,837)	\$ 1,809,354	\$ 4,265,894	\$ 8,711,758
\$ 297,620	\$ 313,500	\$ 314,180	\$ 314,180	\$ 314,330	\$ 331,130	\$ 368,800
8,192,101	8,094,647	—0—	—0—	4,465,942	8,161,436	3,989,204
<u>\$ 8,489,721</u>	<u>\$ 8,408,147</u>	<u>\$ 314,180</u>	<u>\$ 314,180</u>	<u>\$ 4,780,272</u>	<u>\$ 8,492,566</u>	<u>\$ 4,358,004</u>
<u>\$ (1,178,652)</u>	<u>\$ 1,069,522</u>	<u>\$ 12,656,923</u>	<u>\$ (5,727,017)</u>	<u>\$ (2,970,918)</u>	<u>\$ (4,226,672)</u>	<u>\$ 4,353,754</u>
\$1.02	\$1.36	\$1.92	(\$0.87)	\$0.23	\$0.68	\$2.11
\$1.20	\$1.20	—0—	—0—	\$0.70	\$1.40	\$1.00
3.8¢	4.5¢	5.2¢	(2.6¢)	0.8¢	1.7¢	3.7¢

1961	1960	1959	1958	1957	1956	1955
\$ 16,654,610	\$ 8,614,687	\$ 13,230,185	\$ 16,022,103	\$ 16,462,273	\$ 24,956,405	\$ 19,641,792
191,700	23,647,369	9,966,352	—0—	—0—	—0—	—0—
51,798,840	32,025,756	47,824,143	35,415,629	38,145,507	40,363,937	44,537,438
47,672,574	47,147,393	58,724,696	56,882,741	82,588,469	101,476,021	78,179,051
968,627	1,105,179	1,189,930	1,168,350	1,038,935	961,270	680,147
<u>\$117,286,351</u>	<u>\$112,540,384</u>	<u>\$130,935,306</u>	<u>\$109,488,823</u>	<u>\$138,235,184</u>	<u>\$167,757,633</u>	<u>\$143,038,428</u>
\$ —0—	\$ —0—	\$ —0—	\$ —0—	\$ 20,596,526	\$ 39,550,000	\$ 44,516,000
29,492,174	21,619,996	32,710,695	29,117,166	22,225,564	23,184,417	33,356,873
5,227,716	6,423,259	12,421,957	776,134	5,106,971	6,317,224	8,868,356
<u>\$ 34,719,890</u>	<u>\$ 28,043,255</u>	<u>\$ 45,132,652</u>	<u>\$ 29,893,300</u>	<u>\$ 47,929,061</u>	<u>\$ 69,051,641</u>	<u>\$ 86,741,229</u>
\$ 82,566,461	\$ 84,497,129	\$ 85,802,654	\$ 79,595,523	\$ 90,306,123	\$ 98,705,992	\$ 56,297,199
3.4 to 1	4.0 to 1	2.9 to 1	3.7 to 1	2.9 to 1	2.4 to 1	1.6 to 1
58,627,734	61,473,191	62,840,378	61,270,492	60,322,217	48,050,015	30,767,829
32,389,314	30,312,696	29,552,360	28,633,720	31,931,447	33,678,288	23,282,550
298,314	374,934	489,566	553,709	614,875	654,458	432,643
<u>\$173,881,823</u>	<u>\$176,657,950</u>	<u>\$178,684,958</u>	<u>\$170,053,444</u>	<u>\$183,174,662</u>	<u>\$181,088,753</u>	<u>\$110,780,221</u>
\$ 1,942,350	\$ 2,228,292	\$ 1,810,789	\$ 1,964,178	\$ 4,320,093	\$ 2,781,221	\$ 2,092,516
55,384,668	57,571,337	62,098,395	66,432,058	71,358,884	67,605,598	26,201,000
665,187	686,721	764,535	734,131	848,595	835,483	—0—
<u>\$ 57,992,205</u>	<u>\$ 60,486,350</u>	<u>\$ 64,673,719</u>	<u>\$ 69,130,367</u>	<u>\$ 76,527,572</u>	<u>\$ 71,222,302</u>	<u>\$ 28,293,516</u>
\$115,889,618	\$116,171,600	\$114,011,239	\$100,923,077	\$106,647,090	\$109,866,451	\$ 82,486,705
<u>\$15.82</u>	<u>\$15.98</u>	<u>\$15.80</u>	<u>\$14.18</u>	<u>\$15.05</u>	<u>\$16.14</u>	<u>\$15.76</u>

The financial statements for the years 1958, 1957 and 1956 have been restated to give effect to the retroactive write-off of good will as a special charge in 1956.

## Comparison of Operations 1964-55

## Comparison of Financial Position 1964-55

# FRUEHAUF FINANCE COMPANY

## Balance Sheets

Fruehauf Finance Company earnings reached \$2,922,263 in 1964 as compared with \$2,654,872 for 1963, and the all time high of \$2,977,394 in 1960, making 1964 the second most profitable year in the history of the Finance Company.

The organization was strengthened by the election of Mr. R. G. Howell as president. He previously held the position of vice president and general manager. The personnel in the Operation Section were realigned for more effective and efficient service, while increasing operational controls over wide-spread and expanding financing activities.

The long-term debt, under the terms of the present indenture will require commencement of sinking fund payments in 1966. We expect to conclude a refinancing arrangement during 1965 to ease the impact of sinking fund payments. With the money market at its present level, it appears highly unlikely that we will achieve the present favorable rate on any new long-term borrowing.

The growth of Fruehauf Finance Company will be particularly assisted by Fruehauf Corporation's growth in the field of Total Transportation. This diversification program should create additional financing requirements in the various types of transportation and material handling equipment of our ever expanding line. We will, during our refinancing, attempt to liberalize our loan agreement so the Finance Company can keep in step with the parent Company's diversification program. In addition to the broadening scope of our business, we are continuing our efforts to solicit new business from customers of long standing based on the customer advantages of financing through Fruehauf Finance Company.

Our 1965 objective is the achievement of net earnings in excess of \$3,000,000 which will be a record for this Corporation.

ASSETS		December 31, 1964	December 31, 1963
Cash:			
Unrestricted.....		\$ 63,130	\$ 110,146
On deposit in interest-bearing accounts.....		—0—	7,064,890
Restricted for payment of interest on 1976 Notes.....		1,237,188	1,237,188
	<b>CASH</b>	<b>\$ 1,300,318</b>	<b>\$ 8,412,224</b>
Account receivable from Fruehauf Corporation.....		1,042,741	2,821,573
Installment and other receivables (including installments of approximately \$147,100,000 at December 31, 1964, and \$118,600,000 at December 31, 1963, maturing after one year):			
Installment equipment contracts and other receivables purchased from Fruehauf Corporation without recourse.....		\$221,463,626	\$172,406,178
Amounts receivable from Fruehauf Corporation secured by pledge of leased trailer rentals.....		7,958,070	10,297,165
		<b>\$229,421,696</b>	<b>\$182,703,343</b>
Less:			
Deferred finance revenue.....		\$ 25,925,182	\$ 19,404,347
Allowance for losses.....		2,316,491	1,927,949
		<b>\$ 28,241,673</b>	<b>\$ 21,332,296</b>
	<b>INSTALLMENT RECEIVABLES—NET</b>	<b>\$201,180,023</b>	<b>\$161,371,047</b>
Repossessed trailers—at appraised values, less estimated disposal costs.....		668,971	708,825
Investment in wholly-owned subsidiary not consolidated—at equity in net assets.....		292,627	254,059
Unamortized debt expenses.....		72,181	28,000
		<b>\$204,556,861</b>	<b>\$173,595,728</b>

**FRUEHAUF FINANCE COMPANY**

**Balance Sheets**

**LIABILITIES AND CAPITAL**

	December 31, 1964	December 31, 1963
Notes payable.....	\$ 25,000,000	\$ —0—
Accounts payable and accrued expenses:		
To subsidiary not consolidated.....	899,887	811,208
Accrued expenses.....	71,610	51,774
Interest.....	412,396	412,396
	<u>\$ 26,383,893</u>	<u>\$ 1,275,378</u>
Federal taxes on income.....	2,195,124	2,126,447
Long-term debt:		
1976 Notes due June 1, 1976; redemption price to June 2, 1965, 102⅞%, to June 2, 1966, 101⅞%, and decreasing ⅜ of 1% each year to June 2, 1971; no sinking fund payments required until 1966:		
4%.....	\$100,000,000	\$100,000,000
4⅛%.....	23,000,000	23,000,000
	<u>\$123,000,000</u>	<u>\$123,000,000</u>
<b>LONG-TERM DEBT</b>		
Amounts withheld from Fruehauf Corporation on installment and other receivables acquired, subordinated to long-term debt.....	17,096,338	14,234,660
Capital:		
Capital Note, 5%, due October 12, 1978; not subject to prepayment while other indebtedness is outstanding (Note A).....	\$ 12,000,000	\$ 12,000,000
Common Stock, par value \$100.00 a share—authorized and outstanding 10,000 shares	1,000,000	1,000,000
Earnings retained for use in the business (Note B).....	22,881,506	19,959,243
	<u>\$ 35,881,506</u>	<u>\$ 32,959,243</u>
<b>CAPITAL</b>		
	<u>\$204,556,861</u>	<u>\$173,595,728</u>

**Notes to Financial Statements**

YEAR ENDED DECEMBER 31, 1964

**Note A—Interest on Capital Note Held by Fruehauf Corporation**

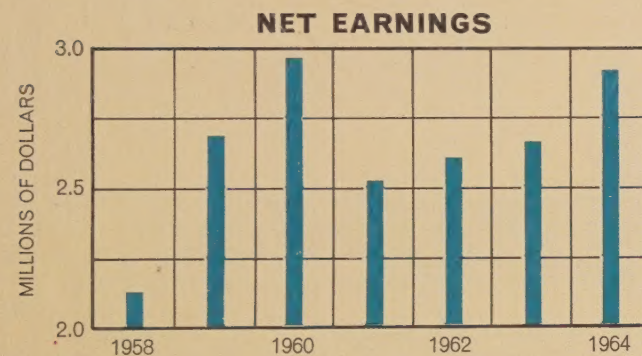
By agreement between the Company and Fruehauf Corporation, the interest on the Capital Note has been waived.

**Note B—Restriction on Earnings Retained for Use in the Business**

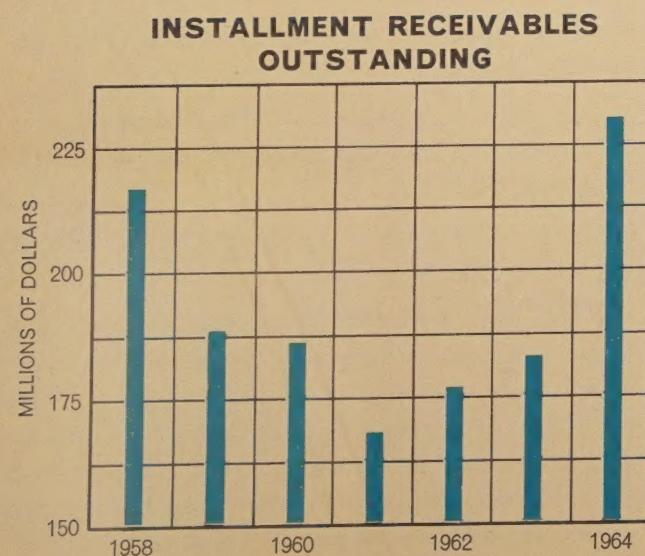
The loan agreements relating to the 1976 Notes impose certain restrictions on the declaration or payment of cash dividends, the purchase of shares of stock, and payments on subordinated debt. Earnings retained for use in the business of \$576,027 were free from these restrictions at December 31, 1964.

## Statement of Net Earnings and Earnings Retained for Use in the Business

YEARS ENDED DECEMBER 31, 1964, AND DECEMBER 31, 1963



## Comparison of Operations



## FRUEHAUF FINANCE COMPANY

### FINANCE REVENUE:

From installment equipment contracts.....		
From Fruehauf Corporation with respect to loans secured by pledge of leased trailer rentals.....		
Other interest.....		

1964	1963
\$12,210,862	\$11,147,895
686,035	753,109
145,640	264,622
<u>\$13,042,537</u>	<u>\$12,165,626</u>

### EXPENSES:

Operating expenses.....		
Provision for losses on installment equipment contracts.....		
Interest.....		

\$ 1,108,993	\$ 1,113,363
1,049,082	518,641
5,062,199	4,948,750
<u>\$7,220,274</u>	<u>\$6,580,754</u>

### EARNINGS BEFORE TAXES ON INCOME

### FEDERAL TAXES ON INCOME.....

\$5,822,263	\$5,584,872
<u>2,900,000</u>	<u>2,930,000</u>

### NET EARNINGS FOR THE YEAR

Earnings retained for use in the business—at beginning of year.....		
Earnings retained for use in the business—at end of year.....		

\$ 2,922,263	\$ 2,654,872
19,959,243	17,304,371
<u>\$22,881,506</u>	<u>\$19,959,243</u>

See notes to financial statements.

	1964	1963	1962	1961	1960
Installment Receivables Acquired.....	\$142,193,292	\$105,192,015	\$107,068,953	\$ 79,702,140	\$104,127,854
Installment Receivables Outstanding.....	229,421,696	182,703,343	176,688,094	167,664,794	186,598,719
Deferred Finance Revenue.....	25,925,182	19,404,347	18,338,410	16,578,067	18,595,470
Installment Receivables Liquidated.....	95,474,939	99,176,766	98,394,740	98,636,065	104,835,038
Finance Revenue Earned.....	12,896,897	11,901,004	11,855,858	11,764,540	12,774,599
Net Earnings after Taxes.....	2,922,263	2,654,872	2,608,152	2,521,906	2,977,394

	1959	1958	1957	1956	1955
Installment Receivables Acquired.....	\$ 82,582,916	\$ 88,641,202	\$146,349,251	\$181,291,850	\$128,176,144
Installment Receivables Outstanding.....	187,305,903	216,174,017	255,141,305	240,831,869	162,817,347
Deferred Finance Revenue.....	17,518,708	20,685,802	26,151,031	24,615,769	17,805,755
Installment Receivables Liquidated.....	111,451,030	127,608,490	132,039,815	103,277,328	75,277,864
Finance Revenue Earned.....	13,317,013	14,467,480	15,175,056	13,746,828	8,411,699
Net Earnings after Taxes.....	2,692,181	2,116,734	2,175,250	2,051,597	1,172,726

# Fruehauf's World-Wide Facilities

## UNITED STATES

**ALABAMA**  
Birmingham  
Montgomery

**ARIZONA**  
Phoenix

**CALIFORNIA**  
Fresno  
Los Angeles  
Oakland  
Sacramento, W.

**COLORADO**  
Denver

**CONNECTICUT**  
Wallingford

**DELAWARE**  
Smyrna

**FLORIDA**  
Jacksonville  
Miami, N.

**GEORGIA**  
Atlanta

**HAWAII**  
Honolulu

**ILLINOIS**  
Chicago  
Peoria, E.

**INDIANA**  
Evansville  
Fort Wayne  
Indianapolis  
South Bend

**IOWA**  
Des Moines  
Sioux City

**KANSAS**  
Wichita

**KENTUCKY**  
Louisville

**LOUISIANA**  
New Orleans

**MARYLAND**  
Baltimore

**MASSACHUSETTS**  
Boston  
Seekonk

**MICHIGAN**  
Detroit  
Grand Rapids  
Jackson  
Saginaw

**MINNESOTA**  
Duluth  
St. Paul

**MISSISSIPPI**  
Jackson

**MISSOURI**  
Kansas City, N.  
Springfield  
St. Louis

**MONTANA**  
Billings

**NEBRASKA**  
Lincoln  
Omaha

**NEW JERSEY**  
Kearny, S.

**NEW MEXICO**  
Albuquerque

**NEW YORK**  
Albany  
Buffalo  
Rochester  
Syracuse

**NORTH CAROLINA**  
Charlotte  
Greensboro

**OHIO**  
Akron  
Cincinnati  
Cleveland  
Columbus  
Dayton  
Toledo  
Youngstown

**OKLAHOMA**  
Oklahoma City  
Tulsa

**OREGON**  
Portland

**PENNSYLVANIA**  
Allentown  
Bath  
Harrisburg  
Lancaster

Montoursville  
Pennsburg  
Philadelphia  
Pittsburgh  
Pottstown  
Scranton  
York

**RHODE ISLAND**  
Providence

**SOUTH DAKOTA**  
Sioux Falls

**TENNESSEE**  
Memphis  
Nashville

**TEXAS**  
Dallas  
El Paso  
Fort Worth  
Houston  
Lubbock  
San Antonio  
Wichita Falls

**UTAH**  
Salt Lake City

**VIRGINIA**  
Norfolk  
Richmond  
Roanoke

**WASHINGTON**  
Seattle  
Spokane

**WEST VIRGINIA**  
Charleston

**WISCONSIN**  
Milwaukee

## CANADA

**ALBERTA**  
Calgary  
Edmonton

**BRITISH COLUMBIA**  
Vancouver

**MANITOBA**  
Winnipeg

**ONTARIO**  
London  
Toronto

**QUEBEC**  
Montreal  
Quebec

## INTERNATIONAL

Buenos Aires, Argentina  
La Paz, Bolivia

Sao Paulo, Brazil  
Belize, British Honduras

Santiago, Chile  
Bogota, Colombia

Barranquilla, Colombia  
Cali, Colombia

San Jose, Costa Rica  
Santo Domingo, Dominican Republic

Quito, Ecuador  
Guayaquil, Ecuador

San Salvador, El Salvador  
Pointe-a-Pitre, Guadeloupe, F.W.I.

Guatemala City, Guatemala, C.A.  
Tegucigalpa, D.C., Honduras, C.A.

Kingston, Jamaica  
Managua, Nicaragua

Panama City, Panama  
Asuncion, Paraguay

Lima, Peru  
Paramaribo, Surinam, (Neth. Guiana)

Montevideo, Uruguay  
Caracas, Venezuela

Luanda, Angola, P.W.A.  
Mascot, NSW, Australia

Leopoldville, Republic of Congo  
Brussels, Belgium

Cairo, Egypt  
Singapore, Federated Malay States

Helsinki-Suomi, Finland  
Helsinki-Lento, Finland

Ris Orangis (Seine et Oise) France  
Schierling NBD. (Bavaria) West Germany

Kumasi, Ashanti, Gold Coast  
Athens, Greece

Rotterdam, Holland  
Calcutta 1, India

Djakarta, Djawa, Indonesia  
Tehran, Iran

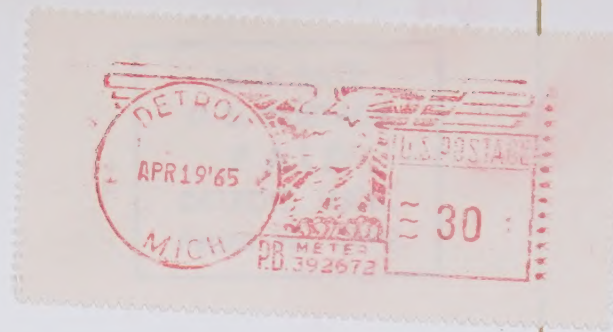
Tel-Aviv, Israel  
Abidjan, Ivory Coast, Fr. West Africa

Tokyo, Japan  
Tunis, Tunisia  
Nairobi, Kenya Colony  
Kuwait, Arabian Gulf  
Liberia  
Wellington, New Zealand  
Oslo, Norway  
Johannesburg, Transvaal,  
Republic of South Africa  
Manila, Philippines  
Lisbon, Portugal  
Casablanca, Morocco  
Tanarive, Madagascar  
Madrid, Spain  
Linkoping, Sweden  
Bangkok, Thailand  
Ankara, Turkey  
Istanbul, Turkey  
Dereham, Norfolk, England  
Kingston, Jamaica, West Indies  
Alger, Algeria  
Dakar, (Senegal), F.W.A.

## MANUFACTURING PLANTS IN THE UNITED STATES

Avon Lake, Ohio  
Chicago, Illinois  
Cleburne, Texas  
Clifton, New Jersey  
Decatur, Alabama  
Delphos, Ohio  
Detroit, Michigan  
Fairless Hills, Pennsylvania  
Fort Wayne, Indiana  
Fullerton, California  
Fort Worth, Texas  
Fresno, California  
Los Angeles, California  
Memphis, Tennessee  
Omaha, Nebraska  
Southampton, Pennsylvania  
Uniontown, Pennsylvania  
Vina Vista, California

FRUEHAUF CORPORATION  
DETROIT, MICHIGAN 48232



THE GLOBE & MAIL  
GEORGE D LINTON  
KING & YORK STS  
TORONTO CAN

**FRUEHAUF**  
CORPORATION

FRUEHAUF DIVISION  
STRICK DIVISION  
HOBBS DIVISION  
AUTOMATIC SYSTEMS DIVISION  
D-FAB DIVISION  
FRUEHAUF FINANCE COMPANY  
INDEPENDENT METAL PRODUCTS DIVISION  
INTERNATIONAL OPERATIONS DIVISION  
MAGOR CAR CORPORATION  
MILITARY PRODUCTS DIVISION  
RENTCO DIVISION  
TRANSPORT INVESTMENT DIVISION

RETURN REQUESTED